

Company Registration Number - 5567478

The Charity Registration Number is :- 1119977

The Muslim Research and Development Foundation

Report and Accounts

31 December 2018



The Muslim Research and Development Foundation

Report and accounts for the year ended 31 December 2018

Contents

	Page
Charity information	1
Trustees' Annual Report	1
Accountants' report	10
<i>Funds Statements:-</i>	
Statement of Financial Activities	12
Statement of Financial Activities - Prior Year statement	13
Fixed asset fund	14
Movements in funds	15
Income and Expenditure account	16
 Balance sheet	 17
 Notes to the accounts	 18

The Muslim Research and Development Foundation

Company Registration Number - 5567478

Trustees' Annual Report for the year ended 31 December 2018

The Trustees present their Report and Accounts for the year ended 31 December 2018, which also comprises the Directors' Report required by the Companies Act 2006.

Reference and administrative details

The charity name.

The legal name of the charity is:- The Muslim Research and Development Foundation

The charity is also known by its operating name, MRDF.

The charity's areas operation and UK charitable registration.

The charity is registered in England & Wales with the Charity Commission in England & Wales (CCEW) with charity number 1119977

Legal structure of the charity

The charity is constituted as a company limited by guarantee, registered under the Companies Acts. The governing document of the charity is the Memorandum and Articles of Association establishing the company under company legislation.

There are no restrictions in the governing documents on the operation of the Charity or on its investment powers other than those imposed by Charity Law.

By operation of law all, trustees are directors under the Companies Act 2006 and all directors are trustees under Charities legislation and have responsibilities, as such, under both company and charity legislation.

The Trustees are all individuals.

The Muslim Research and Development Foundation

Company Registration Number - 5567478

Trustees' Annual Report for the year ended 31 December 2018

The principal operating address, telephone number, email and web addresses of the charity are:-

56 Greenfield Road
London,
E1 1EJ
Telephone 0208 3460072
Email Address enquiries@mrdf.co.uk
Web address www.mrdf.co.uk

The registered office of the charity for Companies Act purposes is the same as the operating address shown above.

The Trustees in office on the date the report was approved were:-

M Khalid
F Haibatan
Y Patel

The following persons served as Trustees during the year ended 31 December 2018 :-

The trustees who served as a trustee in the reporting period were as shown above, and there were no changes during the year, or in the period between the year end and the approval of the accounts.

All the trustees are also members of the charity.

Objects and activities of the charity

The purposes of the charity as set out in its governing document.

The Charity's objectives and principal activities as set out in the memorandum and articles of association and continue to be that of:

- 1) To facilitate the development of leadership skills within the Muslim community.
- 2) The advancement of research into Islamic solutions to challenges faced by Muslims communities, as well as the general population in the UK.
- 3) To facilitate Muslims furthering their knowledge.
- 4) To produce Islamic media.
- 5) To undertake any charitable activity (in the pursuit of the above objectives).

The Muslim Research and Development Foundation

Company Registration Number - 5567478

Trustees' Annual Report for the year ended 31 December 2018

The main activities undertaken in relation to those purposes during the year.

- a. To be debt free and have enough working balance for the first quarter of 2019, financially sound and not in deficit at the end of the financial year.
- b. To diversify our fundraising efforts to include partnership sponsorship deals for both Islamic media outlets in the UK and valued-aligned charities
- c. Following the re-aligning of our vision and mission to make clear the long-term strategy for the charity is in line with our 10-year plan.
- d. To make the Sabeel development program available in two new geographical locations within the United Kingdom.

An explanation of the charity's strategies for achieving its stated objectives.

- a. To develop fundraising relationships with appropriate Islamic media outlets, charities and organisations who are aligned with our charitable value.
- b. To further assess and re-affirm the agreements (MOUs) with charities and non-charity organisations for the purpose of furthering MRDF's charitable purpose.
- c. To follow the agreed three-year strategic plan developed in 2018 for existing donors and the development of new fundraising initiatives.
- d. To further assess the viability of providing franchise models for the delivery of cultivation projects due to the increased demand throughout the UK and Europe.
- e. To work with UK verified partner 'delivery organisations' in targeting new geographical locations.
- f. To work with internal and external stakeholders in solidifying our long-term strategies for the coming 10 years.

Details of significant activities (including its main programmes, projects, or services provided) that contribute to the achievement of the stated objectives.

- a. The provision of over 36 Sabeel residential retreats and programmes in the year.
- b. To hold internal stakeholder meetings for the purpose of solidifying the strategy for the 10-year plan.
- c. To be the educational partner to key media outlets, charities and non-charitable organisations for the purpose of fulfilling MRDF's charitable objectives.

The Muslim Research and Development Foundation

Company Registration Number - 5567478

Trustees' Annual Report for the year ended 31 December 2018

The main activities undertaken during the year to further the charity's purpose for the public benefit.

As in previous years and upon its charitable objectives MRDF's activities are aimed specifically for the Muslim community but open to the general public to attend and benefit. Our activities aim to strengthen the Muslim community and give guidance to challenges it faces. There are no restrictions placed in the attendance or participation of any activity or service offered by the charity. The only exceptions are to those activities which refer to a practice of faith upheld by the Muslim community, such as leading prayers or other related acts of the Islamic faith.

MRDF's activities are generally offered throughout the country, in 2018 our main educational project Sabeel carried out some of its activities in Europe with its European partners.

As with previous years Prophetictimeline.com was available to anyone who has an internet connection. In 2015, the Office for National Statistics showed 90%+ of UK households having access to the internet.

Regarding restricting those unable to afford the fees to some of the charity's activities and services, the charity has setup clear guidelines preventing any such individual from not-benefiting from its services. The charity aims to provide benefit in a material way that is related to the charity's aims for those who cannot afford its activity/service fees, including those in poverty

MRDF believes there should be no barriers between a member of the community wanting to benefit from the charity's services/activities and their personal financial situation. To further this belief MRDF has put into place the following:

1. Fees for any service/activity must follow the MRDF fees policy. The policy has at its core the aim of charging an appropriate entry level cost for all the services offered. The charity aims to provide these services at a minimum cost, even though some services generate a marginal profit, they do so following a policy of proportional discounts. Fees are always approved by the trustees in line with the policy.
2. The policy provides students and those on low income with set discounts within each service/activity.
3. The policy also includes provisions for instalments for those unable to meet the fees of an activity/service. This provision is there for any participant who is unable to attend an activity/service due to financial difficulties, the participant will be allowed to pay in instalments following an agreed payment plan. This payment plan is setup by the administration department, they will additionally oversee any request for cancelation of fees if the hardship of returning the fees is overburdening on the participant. This provision needs a direct approval from the trustees and the finance manager before its execution.

MRDF will not prevent those on low income or those in financial difficulties from having the opportunity of benefitting from its activities/services. MRDF carries out regular checks to make sure there are no private benefits that are especially given to members of the charity or its trustees. All such benefits (whether material or not) are the same as provided to the general public and in those cases where benefits are gained these are incidental.

The Trustees have had regard to the Charity Commission's guidance on public benefit in managing the activities of the charity.

The Muslim Research and Development Foundation

Company Registration Number - 5567478

Trustees' Annual Report for the year ended 31 December 2018

The contribution of volunteers during the year.

Volunteers are the major backbone of the Muslim Research & Development Foundation. They are the real providers of the charities objectives and without them the charity could not deliver the activities and services it does. The charity has a large number of key registered volunteers and over 200 event-based non-permanent volunteers. Registered volunteers work throughout the year in carrying out and managing the core activities of the charity. MRDF has many event-based volunteers who contribute to the main activities it carries out yearly. We thank them whole heartedly for their efforts and look forward to them being permanent volunteers for the coming years.

The main achievements and performance of the charity during the year.

- 1) Continuing the operation of three cycles of the Sabeel development programme in the UK
- 2) Providing assistance and guidance in the operation of Sabeel retreats in Germany, Holland and Denmark, run by our European partner organisations.
- 3) Providing educational services to the following supported projects:
 - a. Muslim Youth Initiative – Providing syllabus support
 - b. Family Events Retreats – Providing content and guidance on topic delivery
 - c. Islamic Council of Europe – Providing Sharia advisors
 - d. Islam21c – Writing articles on key issues affecting the community
- 4) 'Fatwa line', national call in Sharia advisory service.

Summary of the main achievements of the charity during the year

- 1) Sabeel retreats programme carrying out 9 European retreats with its partners
- 2) Sabeel development programme provided over 36 weekend retreats and programmes in the UK.
- 3) Sabeel development programme increasing student capacity to 280 in UK for all cycles.
- 4) Providing educational content for two Family retreat weekend residentials held by Family Events limited.
- 5) Furnishing 6 youth retreats with educational content run by Muslim Youth Initiative.
- 6) Providing guidance to over 8 national UK based charities/organisations.
- 7) Fatwa 'telephone' line, helping over 1100 people in 2018.
- 8) The provision of 5 Sharia advisors to help in arbitration for the Islamic Council of Europe.
- 9) Setting up an improved donor management system which resulted in an increased retention of previous donors.

The Muslim Research and Development Foundation

Company Registration Number - 5567478

Trustees' Annual Report for the year ended 31 December 2018

Factors relevant to the achievement of the charity's objectives

In 2018 the charity looked at ways of securing long term financial donations that would help the charity focus on its core role, that of building leaders and providing guidance to the Muslim community in UK and Europe. We used new methods of donor management that enhanced the tried and tested methods that had served the charity for many years. Not only was the improved communication with donors realised in 2018 but it showed in the increase of donations we received from previous donors. A key factor in the achievement of the charity's objectives in 2018 was the implementation of the 10-year strategic plan following the re-alignment of the charities vision and mission that took place in 2017. The charity used this re-alignment to further increase its marketing of projects throughout the UK which was highlighted by the increased uptake of our events and courses in the north of England, an area we previously had little success in.

Structure, governance and management of the charity

The methods used to recruit and appoint new charity trustees.

New Trustees are appointed based on experience in the areas pertinent to the Charity's objectives and selected by the Board of Trustees. Each new trustee undergoes an orientation day to brief them on their legal obligations under the Charities and Companies Act. They are provided with the Charity Commission's guidance and a copy of the Memorandum of Association.

Bankers	HSBC Bank plc, 126 High Road Ilford, Essex IG1 1DA
Solicitors	Saracens Solicitors, Sentinel House, 16 Harcourt Street, London

Financial review

The charity's financial position at the end of the year ended 31 December 2018

The financial position of the charity at 31 December 2018 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows:-

	2018	2017
	£	£
Net income/(expenditure)	5,618	(464)
Unrestricted Revenue Funds available for the general purposes of the charity	34,209	28,591
Restricted Revenue Funds	5,339	5,339
Total Funds	39,548	33,930

The Muslim Research and Development Foundation

Company Registration Number - 5567478

Trustees' Annual Report for the year ended 31 December 2018

Financial review of the position at the reporting date, 31 December 2018 .

The Trustees consider the financial performance of the Charity to be satisfactory. The current year efforts to reduce costs and increase funding have resulted in surplus. Donations and event funding shows an increase from the prior year. The current year surplus is £5,618 (2017: deficit £464). The Trustees are continually assessing and evaluating performance in the light of the challenges- financial and non financial - faced by the charity. The net reserves at the year end was £39,548 (2017 £33,390) of which unrestricted funds are £34,209 (2017: £28,951) and restricted reserves of £5,339 (2017 £5,339). There was no changes in fixed assets except depreciation.

Policies on reserves.

The Trustees have reviewed the requirement to maintain a minimum reserve, in light of the main risks faced by the charity and established a reserve policy. It has established a policy that reserves should cover three months of unavoidable costs. This target level is a reserve of £30,000 and it is fully anticipated that this will allow the Charity to meet its fixed and unavoidable costs

Availability and adequacy of assets of each of the funds

The Board of Trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

Details of The Independent Examiner

S Issadeen

Member of Institute of Chartered Accountants in England and Wales

1 Tylecroft road

London

SW16 4BL

The Muslim Research and Development Foundation

Company Registration Number - 5567478

Trustees' Annual Report for the year ended 31 December 2018

Statement of the Directors' and Trustees' Responsibilities

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Companies Act 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. Notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, the Trustees determined to interpret this responsibility as requiring them to follow current best practice and prepare the accounts according to the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), .

In particular, the Companies Act 2006 and charity law require the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Board is required to :-

- to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also responsible for the contents of the Trustees' report, and the statutory responsibility of the Independent Examiner in relation to the Trustees' report is limited to examining the report and ensuring that, on the face of the report, there are no material inconsistencies with the figures disclosed in the financial statements.

The Muslim Research and Development Foundation

Company Registration Number - 5567478

Trustees' Annual Report for the year ended 31 December 2018

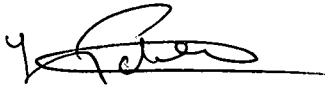
Method of preparation of accounts - Small company provisions

The financial statements are set out on pages 12 to 29.

The financial statements have been prepared implementing the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016)

These financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006, applicable to companies subject to the small companies regime.

This report was approved by the board of trustees on 27 September 2019.

A handwritten signature in black ink, appearing to read 'Yunus Patel', with a horizontal line extending from the end of the signature.

Yunus Patel
Director and Trustee

The Muslim Research and Development Foundation

Report of the Independent Examiner to the Trustees of the charitable company on the accounts for the year ended 31 December 2018

I report to the Trustees on my examination of the financial statements of the charitable company on pages 12 to 29 for the year ended 31 December 2018 which have been prepared in accordance with the Charities Act 2011 (the Act) and with the Financial Reporting Standard 102, (effective 1st January 2016) as modified by FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), published by the Charity Commission in England & Wales (CCEW), and under the historical cost convention and the accounting policies set out on page 18.

Respective responsibilities of the Trustees and the Independent Examiner and the basis of the report

As described on page 8, you, the charitable company's Trustees, who are also the Directors of the Company for the purposes of Company law, are responsible for the preparation of the financial statements in accordance with the Companies Act 2006, the Charities Act 2011 and all other applicable law and with United Kingdom Generally Accepted Accounting Practice, applicable to smaller entities, and for being satisfied that the financial statements give a true and fair view.

The Trustees consider that the audit requirement of Section 144(1) of the Charities Act 2011 (the Act) does not apply, and that there is no requirement in the memorandum and articles of the charity for the conducting of an audit, and that the accounts do not require an audit in accordance with Part 16 of the Companies Act 2006 and that no member or members have requested an audit pursuant to Section 476 of the Companies Act 2006. As a consequence, the Trustees have elected that the financial statements be subject to independent examination.

Having satisfied myself that the financial statements are not required to be audited under any legal provision, or otherwise, and are eligible for independent examination, it is my responsibility to:-

- a) examine the financial statements of the charity under Section 145 of the Act;
- b) follow the applicable procedures in the Directions given by the Charity Commission under section 145(5)(b) of the Act.

Basis of Independent Examiner's Statement and scope of work undertaken

Since the charitable company's gross income exceeded £250,000, the charitable company's examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am an authorised member of Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I report in respect of my examination of the charity's financial statements carried out under s145 of the Act. 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 setting out the duties of an independent examiner in relation to the conducting of an independent examination. An independent examination includes a review of the accounting records kept by the charitable company and of the accounting systems employed by the charitable company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you, as Trustees, concerning such matters. The purpose of the examination is to establish as far as possible that there have been no breaches of charity legislation and that, on a test basis of evidence relevant to the amounts and disclosures made, the financial statements comply with the SORP.

The Muslim Research and Development Foundation

The procedures undertaken do not provide all the evidence that would be required in an audit, and information supplied by the Trustees in the course of the examination is not subjected to audit tests or enquiries and does not cover all the matters that an auditor would consider in arriving at an opinion. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide

Consequently, I do not express an audit opinion on the view given by the financial statements, and in particular, I express no opinion as to whether the financial statements give a true and fair view of the affairs of the charity, and my report is limited to the matters set out in the statement below.

I planned and performed my examination so as to satisfy myself that the objectives of the independent examination are achieved and before finalising the report I obtained written assurances from the Trustees of all material matters.

Independent Examiner's Statement, Report and Opinion

Subject to the limitations upon the scope of my work as detailed above, I have completed my examination: and can confirm that:-

The accounts of this charitable company are not required to be audited under Part 16 of the Companies Act 2006;

The gross income of the charitable company in the year ended 31 December 2018 appears to exceed the sum specified in Section 145(3) of the Act, namely £250000, and that I am qualified to act as Independent Examiner in accordance with that section by virtue of my being a qualified member of Institute of Chartered Accountants in England and Wales;

This is a report in respect of an examination carried out under 145 of the Act and in accordance with Directions given by the Charity Commission under section 145(5)(b) of the Act which may be applicable;

and that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:-

accounting records were not kept in respect of the charity as required by Section 386 of the Companies Act 2006 and Section 130 of The Charities Act 2011;

the financial statements do not accord with those records; or

the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in section 396 of the Companies Act 2006 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;

have not been prepared in accordance with the methods and principles set out in the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP).

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 financial statements to be reached.

Signed:-



S Issadeen - Independent Examiner

Institute of Chartered Accountants in England and Wales

1 Tylecroft road
London
SW16 4BL

This report was signed on 29 September 2019

The Muslim Research and Development Foundation - Statement of Financial Activities for the year ended 31 December 2018

Statement of Financial Activities (including the Income and Expenditure Account for the year ended 31 December 2018, as required by the Companies Act 2006)

	SORP Ref	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2018 £	2018 £	2018 £	2017 £
Income & Endowments from:					
Donations & Legacies	A1	281,506	-	281,506	209,766
Charitable activities	A2	147,195	-	147,195	114,665
Investments	A4	14	-	14	1
Total income	A	428,715	-	428,715	324,432
Expenditure on:					
Charitable activities	B2	423,097	-	423,097	324,896
Total expenditure	B	423,097	-	423,097	324,896
Net income/(expenditure) for the year		5,618	-	5,618	(464)
Net income after transfers	A-B-C	5,618	-	5,618	(464)
Net movement in funds		5,618	-	5,618	(464)
Reconciliation of funds:-	E				
Total funds brought forward		28,591	5,339	33,930	34,394
Total funds carried forward		34,209	5,339	39,548	33,930

The 'SORP Ref' indicated above is the classification of income set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the Balance Sheet.

A separate Statement of Total Recognised Gains and Losses is not required as this statement includes all recognised gains and losses.

All activities derive from continuing operations

The notes attached on pages 18 to 29 form an integral part of these accounts.

The Muslim Research and Development Foundation - Statement of Financial Activities for the year ended 31 December 2018

The Muslim Research and Development Foundation - Analysis of prior year total funds, as required by paragraph 4.2 of the SORP

	SORP Ref	Prior Year Unrestricted Funds 2017 £	Prior Year Restricted Funds 2017 £	Prior Year Total Funds 2017 £
Income from:				
Donations & Legacies	A1	209,766	-	209,766
Charitable activities	A2	114,665	-	114,665
Investments	A4	1	-	1
Total income	A	324,432	-	324,432
Expenditure on:				
Charitable activities	B2	324,896	-	324,896
Total expenditure	B	324,896	-	324,896
Net expenditure for the year		(464)	-	(464)
Net income after transfers		(464)	-	(464)
Net movement in funds		(464)	-	(464)
Reconciliation of funds:-	E			
Total funds brought forward		29,055	5,339	34,394
Total funds carried forward		28,591	5,339	33,930

All activities derive from continuing operations

A separate Statement of Total Recognised Gains and Losses is not required as this statement includes all recognised gains and losses.

The notes attached on pages 18 to 29 form an integral part of these accounts.

The Muslim Research and Development Foundation - Statement of Financial Activities for the year ended 31 December 2018

The Muslim Research and Development Foundation - Resources applied in the year ended 31 December 2018 towards fixed assets for Charity use:-

	2018 £	2017 £
Funds generated in the year as detailed in the SOFA	5,618	(464)
Net resources available to fund charitable activities	5,618	(464)

The notes attached on pages 18 to 29 form an integral part of these accounts.

The Muslim Research and Development Foundation - Statement of Financial Activities for the year ended 31 December 2018

Movements in revenue and capital funds for the year ended 31 December 2018

Revenue accumulated funds

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Last year Total Funds 2017 £
Accumulated funds-brought forward	28,591	5,339	33,930	34,394
Recognised gains and losses before transfers	5,618	-	5,618	(464)
	<u>34,209</u>	<u>5,339</u>	<u>39,548</u>	<u>33,930</u>
Closing revenue funds	<u>34,209</u>	<u>5,339</u>	<u>39,548</u>	<u>33,930</u>

Summary of funds

	Unrestricted and Designated funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Last Year Total Funds 2017 £
Revenue accumulated funds	<u>34,209</u>	<u>5,339</u>	<u>39,548</u>	<u>33,930</u>

The notes attached on pages 18 to 29 form an integral part of these accounts.

The Muslim Research and Development Foundation - Statement of Financial Activities for the year ended 31 December 2018

**The Muslim Research and Development Foundation
Income and Expenditure Account for the year ended 31 December 2018 as required
by the Companies Act 2006**

	2018 £	2017 £
Income		
Income from operations	428,701	324,431
Interest receivable	14	1
Gross income in the year before exceptional items	428,715	324,432
Gross income in the year including exceptional items	428,715	324,432
Expenditure		
Charitable expenditure, excluding depreciation and amortisation	422,491	322,711
Depreciation and amortisation	606	2,185
Total expenditure in the year	423,097	324,896
Net income before tax in the financial year	5,618	(464)
Tax on surplus on ordinary activities	-	-
Net income after tax in the financial year	5,618	(464)
Retained surplus for the financial year	5,618	(464)
All activities derive from continuing operations		

In accordance with the provisions of the Companies Act 2006, the headings and subheadings used in the Income and Expenditure account have been adapted to reflect the special nature of the charity's activities.

The notes attached on pages 18 to 29 form an integral part of these accounts.

The Muslim Research and Development Foundation - Balance Sheet as at 31 December 2018

	SORP		2018	2017
	Note	Ref	£	£
Fixed assets		A		
Tangible assets		A2	-	606
Current assets		B		
Debtors	11	B2	27,267	33,267
Cash at bank and in hand		B4	19,521	14,412
Total current assets			<u>46,788</u>	<u>47,679</u>
Creditors: amounts falling due within one year	12	C1	<u>(7,240)</u>	<u>(14,355)</u>
Net current assets			<u>39,548</u>	<u>33,324</u>
The total net assets of the charity			<u>39,548</u>	<u>33,930</u>

The total net assets of the charity are funded by the funds of the charity, as follows:-

Restricted funds				
Restricted Revenue Funds	15	D2	5,339	5,339
Unrestricted Funds				
Unrestricted Revenue Funds	15	D3	34,209	28,591
Total charity funds			<u>39,548</u>	<u>33,930</u>

The 'SORP Ref' indicated above is the classification of Balance Sheet items as set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the SOFA..

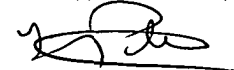
The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The charity is subject to Independent Examination under charity legislation, and the report of the Independent Examiner is on page 11.

The financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006. applicable to companies subject to the small companies regime.



Yunus Patel

Trustee

Approved by the board of trustees on 27 September 2019

The notes attached on pages 18 to 29 form an integral part of these accounts.

The Muslim Research and Development Foundation

Notes to the Accounts for the year ended 31 December 2018

1 Accounting policies

Policies relating to the production of the accounts.

Basis of preparation and accounting convention

The accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016) and 'FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), published by the Charity Commission in England & Wales (CCEW), effective January 2016, , and in accordance with all applicable law in the charity's jurisdiction of registration, except that the charity has prepared the financial statements in accordance with the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), in preference to the previous SORP, the SORP 2005, which has been withdrawn, notwithstanding the fact that the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008 refer explicitly to the SORP 2005. This has been done to accord with current best practice.

Risks and future assumptions

The charity is a public benefit entity.

The charity is a public benefit organisation who's key aim is to benefit the public. However as such it is highly dependent on donations and the general public attending educational seminars and outreach programmes it hosts. The Trustees are aware of the financial and economic risk faced by the uncertainty of the UK economy. However the Trustees are confident that the charity will be able to attract the public and raise the awareness to the objectives.

Policies relating to categories of income and income recognition.

Nature of income

Gross income represents donations and income from charitable events it hosts.

Categories of Income

Income is categorised as income from exchange transactions (contract income) and income from non-exchange transactions (gifts), investment income and other income.

Income from exchange transactions is received by the charity for goods or services supplied under contract or where entitlement is subject to fulfilling performance related conditions. The income the charity receives is approximately equal in value to the goods or services supplied by the charity to the purchaser.

Income from a non-exchange transaction is where the charity receives value from the donor without providing equal value in exchange, and includes donations of money, goods and services freely given without giving equal value in exchange.

Income recognition

Income, whether from exchange or non exchange transactions, is recognised in the statement of financial activities (SOFA) on a receivable basis, when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities and only when the charity has legal entitlement, the income is probable and can be measured reliably.

Income subject to terms and conditions which must be met before the charity is entitled to the resources is not recognised until the conditions have been met.

All income is accounted for gross, before deducting any related fees or costs.

The Muslim Research and Development Foundation

Notes to the Accounts for the year ended 31 December 2018

Accounting for deferred income and income received in advance

Where terms and conditions relating to income have not been met or uncertainty exists as to whether the charity can meet any terms or conditions otherwise within its control, income is not recognised but is deferred as a liability until it is probable that the terms or conditions imposed can be met.

Any grant that is subject to performance-related conditions received in advance of delivering the goods and services required by that condition, or is subject to unmet conditions wholly outside the control of the recipient charity, is accounted for as a liability and shown on the balance sheet as deferred income. Deferred income is released to income in the reporting period in which the performance-related or other conditions that limit recognition are met.

When income from a grant or donation has not been recognised due to the conditions applying to the gift not being wholly within the control of the recipient charity, it is disclosed as a contingent asset if receipt of the grant or donation is probable once those conditions are met.

Where time related conditions are imposed or implied by a funder, then the income is apportioned to the time periods concerned, and, where applicable, is accounted for as a liability and shown on the balance sheet as deferred income. When grants are received in advance of the expenditure on the activity funded by them, but there are no specific time related conditions, then the income is not deferred.

Any condition that allows for the recovery by the donor of any unexpended part of a grant does not prevent recognition of the income concerned, but a liability to any repayment is recognised when repayment becomes probable.

Membership subscriptions

The income and any associated Gift Aid or other tax refund from a membership subscription received by the charity in the nature of a gift, is accounted for on the same basis as a donation.

The income from a membership subscription received by the charity where the subscription purchases the right to services or benefits is recognised as income from charitable activities.

Policies relating to expenditure on goods and services provided to the charity.

Recognition of liabilities and expenditure

A liability, and the related expenditure, is recognised when a legal or constructive obligation exists as a result of a past event, and when it is more likely than not that a transfer of economic benefits will be required in settlement, and when the amount of the obligation can be measured or reliably estimated.

Liabilities arising from future funding commitments and constructive obligations, including performance related grants, where the timing or the amount of the future expenditure required to settle the obligation are uncertain, give rise to a provision in the accounts, which is reviewed at the accounting year end. The provision is increased to reflect any increases in liabilities, and is decreased by the utilisation of any provision within the period, and reversed if any provision is no longer required. These movements are charged or credited to the respective funds and activities to which the provision relates.

Cost of generating funds includes the direct costs of holding the charitable event, direct fund raising and marketing costs. All other costs relate to the general running of the charity and are accounted for as administrative cost. Governance costs are costs related to the governance of the charity and include the costs of independent review, costs of Trustees meetings and any legal advice to the Trustees on issues of governance and constitutional matters.

Allocating costs to activities

Direct costs that are specifically related to an activity are allocated to that activity. Shared direct costs and support costs are apportioned between activities.

The basis for apportionment, which is consistently applied, and proportionate to the circumstances, is :-

Staffing - on the basis of time spent in connection with any particular activity.

The Muslim Research and Development Foundation

Notes to the Accounts for the year ended 31 December 2018

Premises related costs - on the proportion of floor area occupied by a particular activity.

Non specific support costs - on the basis of the usage of resources, in terms of time taken, capacity used, request made or other measures

Volunteers

In accordance with the SORP, and in recognition of the difficulties in placing a monetary value on the contribution from volunteers, the contribution of volunteers is not included within the income of the charity.

However, the trustees value the significant contribution made to the activities of the charity by unpaid volunteers and this is described more fully in Note6.

Policies relating to assets, liabilities and provisions and other matters.

Tangible fixed assets

Tangible fixed assets are measured at their original cost value, or subsequent revaluation, or if donated, as described above. Cost value includes all costs expended in bringing the asset into its intended working condition. Any item that could be capitalised that cost less than £500, is not capitalised, it is recognised in the P&L.

Depreciation has been provided at the following rates in order to write off the assets to their anticipated residual value over estimated useful lives.

Plant and machinery	33 % straight line
Fixtures and fittings	20 % straight line

Debtors

Debtors are measured at their recoverable amounts at the balance sheet date.

Creditors and provisions

Creditors are measured at market value and recognised in the period to which the benefit is consumed by the charity. Provisions are recognised if the value incurred or consumed is certain and the liability is probable.

Pensions - defined contribution schemes

The charity operates a defined contribution pension scheme, as part of the auto enrollment. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal or as implied by law.

The Muslim Research and Development Foundation

Notes to the Accounts for the year ended 31 December 2018

2 Liability to taxation

The Trustees consider that the charity satisfies the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively on the specific charitable objects of the charity and for no other purpose. Value Added Tax is not recoverable by the charity, and is therefore included in the relevant costs in the Statement of Financial Activities.

3 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

4 Significance of financial instruments to the charity's position

Financial instruments are not significant to the charity, it has borrowings or hedging instruments.

5 Net surplus before tax in the financial year

2018	2017
£	£

The net surplus before tax in the financial year is stated after charging:-

Depreciation of owned fixed assets	606	2,185
Pension costs	36	46

6 The contribution of volunteers

The volunteers are the major backbone of the charity, they are real providers of the charities objectives and without them the charity could not deliver the activities and serves it does. The charity has 55 volunteers and over 200 event based non permanent volunteers. Registered volunteers work throughout the year carrying out and managing our projects. MRDF has any events based volunteers who contribute to the main activities it carries out yearly. We thank them whole heartedly for their efforts and look forward to them being permanent volunteers for future years.

7 Staff costs and emoluments

Salary costs

2018	2017
£	£
76,918	87,471
763	1,499
36	46

Total salaries, wages and related costs

2018	2017
£	£
77,717	89,016

Numbers of full time employees or full time equivalents

2018	2017
4	5

The average number of total staff employed in the year was

9 Remuneration and payments to Trustees and persons connected with them

Mr Y Patel received a salary of £7,650 (2017 £nil) for his role as a general manager. He did not receive any remuneration for his role as a Trustee.

None of the Trustees were reimbursed for expenses incurred in their role as a Trustee.

The Muslim Research and Development Foundation

Notes to the Accounts for the year ended 31 December 2018

10 Tangible fixed assets

	Plant & Machinery	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 January 2018	10,369	1,528	11,897
At 31 December 2018	10,369	1,528	11,897
Depreciation			
At 1 January 2018	9,763	1,528	11,291
Charge for the year	606	-	606
At 31 December 2018	10,369	1,528	11,897
Net book value			
At 31 December 2018	-	-	-
At 31 December 2017	606	-	606

11 Debtors

	2018	2017
	£	£
Prepayments and accrued income	20,465	28,965
Other debtors	6,802	4,302
	27,267	33,267

12 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	5,262	7,305
Accruals	1,250	1,250
PAYE, NIC VAT and other taxes	486	5,402
Other creditors	242	398
	7,240	14,355

13 Income and Expenditure account summary

	2018	2017
	£	£
At 1 January 2018	33,930	34,394
Surplus/(loss) after tax for the year	5,618	(464)
At 31 December 2018	39,548	33,930

The Muslim Research and Development Foundation

Notes to the Accounts for the year ended 31 December 2018

14 Particulars of how particular funds are represented by assets and liabilities

At 31 December 2018	Unrestricted funds	Designated funds	Restricted funds	Total Funds
	£	£	£	£
Tangible Fixed Assets	-	-	-	-
Current Assets	41,449	-	5,339	46,788
Current Liabilities	(7,240)	-	-	(7,240)
	<u>34,209</u>	<u>-</u>	<u>5,339</u>	<u>39,548</u>
At 1 January 2018	Unrestricted funds	Designated funds	Restricted funds	Total Funds
	£	£	£	£
Tangible Fixed Assets	606	-	-	606
Current Assets	42,340	-	5,339	47,679
Current Liabilities	(14,355)	-	-	(14,355)
	<u>28,591</u>	<u>-</u>	<u>5,339</u>	<u>33,930</u>

15 Change in total funds over the year as shown in Note 14 , analysed by individual funds

	Funds brought forward from 2017	Movement in funds in 2018	Transfers between funds in 2018	Funds carried forward to 2019
	£	£	£	£
	See Note 16			
Unrestricted and designated funds:-				
Unrestricted Revenue Funds	28,591	5,618	-	34,209
Total unrestricted and designated funds	<u>28,591</u>	<u>5,618</u>	<u>-</u>	<u>34,209</u>
Restricted funds:-				
Seerah timeline	4,626	-	-	4,626
Dua book	713	-	-	713
Total restricted funds	<u>5,339</u>	<u>-</u>	<u>-</u>	<u>5,339</u>
Total charity funds	<u>33,930</u>	<u>5,618</u>	<u>-</u>	<u>39,548</u>

The Muslim Research and Development Foundation

Notes to the Accounts for the year ended 31 December 2018

16 Analysis of movements in funds over the year as shown in Note 15

	Income	Expenditure	Other Gains & Losses	Movement in funds
	2018	2018	2018	2018
	£	£	£	£
Unrestricted and designated funds:-				
Unrestricted Revenue Funds	428,715	(423,097)	-	5,618

17 The purposes for which the funds as detailed in note 15 are held by the charity are:-

Unrestricted and designated funds:-

Unrestricted Revenue Funds

These funds are held for the meeting the objectives of the charity, and to provide reserves for future activities, and , subject to charity legislation, are free from all restrictions on their use.

Restricted funds:-

Restricted Fixed Asset Funds

The purpose of these funds is described under the accounting policy 'Accounting for capital grants and fixed asset funds'.

18 Ultimate controlling party

The charity is under the control of its legal members.

Every member of the charity is obliged to contribute such amount as may be required not exceeding £10 to the assets of the company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

The Muslim Research and Development Foundation

Detailed analysis of income and expenditure for the year ended 31 December 2018 as required by the SORP 2015

This analysis is classified by conventional nominal descriptions and not by activity.

19 Donations and Legacies

	Current year Unrestricted Funds 2018 £	Current year Restricted Funds 2018 £	Current year Total Funds 2018 £	Prior Year Total Funds 2017 £
Donations and gifts from individuals				
Small donations individually less than £1000	281,506	-	281,506	209,766
Total donations and gifts from individuals	281,506	-	281,506	209,766
Total Donations and Legacies	A1 281,506	-	281,506	209,766

20 Income from charitable activities - Trading Activities

	Current year Unrestricted Funds 2018 £	Current year Restricted Funds 2018 £	Current year Total Funds 2018 £	Prior Year Total Funds 2017 £
Primary purpose and ancillary trading				
Education event income	144,695	-	144,695	100,065
recharge	2,500	-	2,500	14,600
Total Primary purpose and ancillary trading	147,195	-	147,195	114,665

21 Total Income from charitable activities

	Current year Unrestricted Funds £ 2018	Current year Restricted Funds £ 2018	Current year Total Funds £ 2018	Prior Year Total Funds £ 2017
Total income from charitable trading	147,195	-	147,195	114,665
Total from charitable activities	A2 147,195	-	147,195	114,665

22 Investment income

	Current year Unrestricted Funds £ 2018	Current year Restricted Funds £ 2018	Current year Total Funds £ 2018	Prior Year Total Funds £ 2017
Bank Interest Receivable	14	-	14	1
Total Investment Income	A4 14	-	14	1

The Muslim Research and Development Foundation

Detailed analysis of income and expenditure for the year ended 31 December 2018 as required by the SORP 2015

23 Expenditure on charitable activities - Direct spending

	Current year Unrestricted Funds 2018 £	Current year Restricted Funds 2018 £	Current year Total Funds 2018 £	Prior Year Total Funds 2017 £
Gross wages and salaries - charitable activities	59,599	-	59,599	78,016
Employers' NI - Charitable activities	606	-	606	1,319
Defined contribution pension costs - charitable activities	36	-	36	46
Marketing and advertising of charitable services	11,421	-	11,421	23,292
Total direct spending	B2: 71,662	-	71,662	102,673

24 Expenditure on charitable activities - Charitable trading

	Current year Unrestricted Funds 2018 £	Current year Restricted Funds 2018 £	Current year Total Funds 2018 £	Prior Year Total Funds 2017 £
Cost of goods for primary purpose trading	278,075	-	278,075	166,856
Total charitable trading costs	B2b 278,075	-	278,075	166,856

25 Support costs for charitable activities

	Current year Unrestricted Funds 2018 £	Current year Restricted Funds 2018 £	Current year Total Funds 2018 £	Prior Year Total Funds 2017 £
Employee costs not included in direct costs				
Salaries - Administrative staff	17,319	-	17,319	9,455
Employers' NI - Administrative staff	157	-	157	180
Premises Expenses				
Licence fees payable	41,854	-	41,854	31,900
Rates and water charges	1,744	-	1,744	2,704
Light heat and power	2,839	-	2,839	2,223
Premises repairs, renewals and maintenance	1,800	-	1,800	-
Administrative overheads				
Telephone, fax and internet	1,173	-	1,173	1,778
Postage	158	-	158	178
Stationery and printing	455	-	455	168
Software licences and expenses	180	-	180	699
Sundry expenses	1,702	-	1,702	250
Storage	-	-	-	2,284
Office consumables	1,223	-	1,223	-

Professional fees paid to the Auditor or Independent Examiner in addition to audit and examination fees

The Muslim Research and Development Foundation

Detailed analysis of income and expenditure for the year ended 31 December 2018 as required by the SORP 2015

As detailed in Note 26

Professional fees paid to advisors other than the auditor or examiner

Accountancy fees other than examination or audit fees	1,250	-	1,250	1,350
Consultancy fees	900	-	900	13

Financial costs

Depreciation & Amortisation in total for the	606	-	606	2,185
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Support costs before reallocation	73,360	-	73,360	55,367
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Total support costs	73,360	-	73,360	55,367
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The basis of allocation of costs between activities is described under accounting policies

26 Other Expenditure - Governance costs

	Current year Unrestricted Funds 2018 £	Current year Restricted Funds 2018 £	Current year Total Funds 2018 £	Prior Year Total Funds 2017 £
<i>Professional fees paid to the Auditor or Independent Examiner in addition to audit and examination fees</i>			2018 £	2017 £
Other financial services	-	-	-	-
Total additional fees included in support costs at Note 25	-	-	-	-

27 Total Charitable expenditure

	Current year Unrestricted Funds 2018 £	Current year Restricted Funds 2018 £	Current year Total Funds 2018 £	Prior Year Total Funds 2017 £
Total direct spending	B2a 71,662	-	71,662	102,673
Total charitable trading costs	B2b 278,075	-	278,075	166,856
Total support costs	B2d 73,360	-	73,360	55,367
Total charitable expenditure	B2 423,097	-	423,097	324,896

The Muslim Research and Development Foundation

Activity analysis of Income and expenditure for the for the year ended 31 December 2018

This analysis is classsified by activity and not by conventional nominal descriptions.

28 Analysis of Income by activity

	SOFA ref	2018 £	2017 £
Activity			
Income from charitable activities			
Educational events and seminars		147,195	114,665
Summary of Total Income, including the items above			
Charitable activities	A2	147,195	114,665
Donations & Legacies	A1	281,506	209,766
Investment income	A4	14	1
Total income as shown in the SOFA	A	428,715	324,432
Categories of Income			
Income from charity activities		428,715	324,432

29 Analysis of charitable expenditure by activity

Activity	Direct costs	Support costs	Grant funding of activities	Total	Total
	2018 £	2018 £	2018 £	2018 £	2017 £
Education and leadership					
Direct costs	71,662	-	-	71,662	102,673
Charitable trading costs	278,075	-	-	278,075	166,856
Employee costs not included in direct co	-	17,476	-	17,476	9,635
Premises expenses	-	48,237	-	48,237	36,827
Administrative overheads	-	4,891	-	4,891	7,656
Professional fees	-	2,150	-	2,150	1,250
Depreciation	-	606	-	606	-
Total Education and leadership	349,737	73,360	-	423,097	324,897
Summary of charitable costs by activity					
	Direct costs	Support costs	Grant funding of activities	Total	Total
	2018 £	2018 £	2018 £	2018 £	2017 £
Total Education and leadership	349,737	73,360	-	423,097	324,897
Total charitable expenditure	349,737	73,360	-	423,097	324,897

The basis of allocation of costs between activities is described under accounting policies

The breakdown of this expenditure by type of spending (ie nominal classification) is detailed in note 27

The Muslim Research and Development Foundation

Activity analysis of Income and expenditure for the for the year ended 31 December 2018

Analysis of support and governance costs by charitable activities

Activity	Governance	Depreciation	Human Resources	Other Overheads	Total
Education and leadership	-	606	17,476	55,278	73,360