

The Christian Muslim Forum
(A company limited by guarantee)

Report and Financial Statements
For the Period Ended 31 May 2006

Charity number 1114793
Company number 5461960

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The Christian Muslim Forum

Report of the Management Committee for the period ended 31 May 2006

The Management Committee presents its report and audited financial statements for the period ended 31 May 2006.

Reference and Administrative Information

Charity Name: The Christian Muslim Forum

Charity registration number: 1114793

Company registration number: 5461960

Registered Office and operational address:

Ludgate House
107 – 111 Fleet Street
London
EC4A 2AB

Management Committee

Rt Revd David Gillett - Chair
Dr Ataullah Siddiqui - Vice Chair

Company Secretary

Mr Julian Bond (Director of Management and Communication)

Auditors

Brookfield and Co, 18 Concanon Road, London, SW2 5TA

Bankers

National Westminster, Westminster Branch, PO Box 3038, 57 Victoria Street, London, SW1H 0HN

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 24 May 2005 and registered as a charity on 22 June 2006. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Management Committee

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee. Under the requirements of the Memorandum and Articles of Association the members of the Management Committee are elected to serve for a period of four years after which they must be re-elected at the next Annual General Meeting. The Chair is elected to serve for two years and is then eligible for re-appointment.

The directors (one Christian and one Muslim) were identified by the Forum's Implementation Group, in consultation with appropriate Christian and Muslim representative groups, who proposed them to the Archbishop of Canterbury as the Chair and Vice-Chair of the Christian Muslim Forum. The individuals identified were appointed as the first directors of the Christian Muslim Forum. During the year it was decided that it would be prudent to appoint an additional two directors (one Christian and one Muslim) for implementation in the company's next financial year.

Risk Management

A review of major risks to which the charity is exposed will be carried out in the next financial year.

Organisational Structure

The Christian Muslim Forum has a Management Committee which meets approximately every six weeks. The Management Committee is supported by the Presidents of the Christian Muslim Forum (eight religious leaders from representative strands of the Christian and Muslim communities, the directors of the charity are all Presidents) who give advice on the strategic direction and input to the policy of the charity. At present the Committee has two members from backgrounds relevant to the work of the charity. The Secretary also sits on the Committee but has no voting rights.

A scheme of delegation is in place and day to day responsibility for actions and decision-making rest with the Director of Management and Communication (who has the role of Company Secretary). The Director of Management and Communication is responsible for ensuring that the charity delivers the projects to which it is committed, records and processes are maintained and a programme of communication with key interested parties is achieved.

The Director of Management and Communication also services the quarterly meetings of the Christian Muslim Forum. The full Forum Meeting, consists of the Forum's eight Presidents, twelve Specialists and five Scholar-Consultants (plus one vacancy). The Specialists bring project ideas to the Forum Meeting for discussion and agreement. The Forum Meeting also explores aspects of different Christian and Muslim traditions amongst its members and reflects on key current issues.

Related Parties

The Christian Muslim Forum is a member of the national Inter Faith Network. It also has links with Churches Together in England through its Presidents and denominational relationships through

Forum members and staff. There is also a link to the Muslim Council of Britain and the Islamic Foundation through Forum members.

Objectives and Activities

The company's charitable objects are:

- the promotion of religious harmony between Christians and Muslims for the benefit of the public through dialogue, events and projects in the community, and
- the advancement of education and in particular to assist the Christian and Muslim faiths to develop mutual understanding

The main objectives and activities for the year were to:

- establish the Forum
- appoint Presidents, Specialists and Scholar-Consultants
- appoint the first member of staff
- obtain charitable status (which happened after the year end)
- agree a programme of activities and projects

Some of the key projects agreed and commissioned for 2006/07 were:

- Youth - 'OurLives' photographic project
- Youth - 'Getting Engaged' event for youth leaders
- Presidents - Imams and Ministers conference
- Education - Schoolchildren and 'Faith' in the Media conference

Achievements and Performance

The Forum was established, all members and the first employee appointed during 2005. The Forum was launched successfully on 24 January 2006 at Lambeth Palace by our Founding Patron, the Archbishop of Canterbury. Our first quarterly Forum Meeting took place in March 2006 at which a programme of projects were agreed. We held our first event, a media reception, in March 2006. Some of the media relationships made then have continued until the present, particularly with Premier Christian Radio who have reported a number of our events since then and interviewed staff, Forum members and participants at our events.

Outreach

One of our early actions was to make contact with a range of Christian-Muslim groups around the country. Relationships with these groups and individuals have continued and their members have attended our events. We have also reached out to Christians, Muslims and society generally through our website www.christianmuslimforum.org which has a growing mailing list. Our future plans will include developing greater links and contacts with individuals and similar organizations around the country.

Financial Review

We benefited greatly from strategic grants from the Cohesion and Faiths Unit (formerly in the Home Office, but now part of the Department for Communities and Local Government). We also received significant amounts of funding from round one of the Faith Communities Capacity Building Fund, the Dawoodi Bohra community and the Tudor Trust.

We made the decision halfway through the year, having obtained around two thirds of our required

funding for our first three years, to recruit our first member of staff. This was in the hope of being able to recruit a second executive director in due course when we had raised the remaining funding. We have been engaged in seeking additional funding since then, including approaches to a wealthy Christian charity for an amount that could provide the final third of funding for our first three years. This application process is ongoing at the end of our first year.

Principal Funding Sources

The principal funding sources for the charity are currently through grants from Government, charitable trusts (Christian, Muslim and general), from Christian denominations and other organisations.

Investment Policy

At the end of the year we had not yet developed a reserves policy, although we still have funds remaining which are sufficient for more than a year's costs based on current activities and staffing. The bulk of our funds are kept on deposit in an interest-bearing account as there few funds available for long term investment. We will be reviewing our investment policy in the new financial year.

Plans for Future Periods

The charity plans continuing, and expanding, the activities outlined above in the forthcoming years subject to satisfactory funding arrangements. We plan to carry out more work in partnership with other organisations, including Government. We aim to pursue project grant funding for each future project, including core cost recovery. We will also be working on generating an income for the Forum through our projects, activities and publications.

Responsibilities of the Management Committee

Company law requires the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the management committee should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The Management Committee is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Management Committee is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Management Committee

Members of the Management Committee, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 3.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

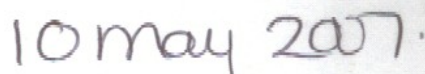
Auditors

Brookfield and Co. were appointed as the charitable company's auditors during the year.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Management Committee and signed on its behalf by:

David Gillett, Director

Handwritten signature of David Gillett in cursive script.Handwritten date "10 May 2007" in cursive script.

INDEPENDENT AUDITORS' REPORT to the members of The Christian Muslim Forum

We have audited the financial statements for the year ended 31 March 2006 on pages 9 to 14 which have been prepared on the basis of the accounting policies set out on page 11 and the requirements of the Financial Reporting Standard for Smaller Entities.

Respective responsibilities of the Trustees and auditors

The Trustees are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards. It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charitable company is not disclosed. We also read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view, in accordance with United Kingdom generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs at 31 March 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985. Additionally, in our opinion, the information given in the Trustees Report is consistent with the financial statements.

Brookfield & Co
Registered Auditors

Brookfield + Co

15 May 2007.

The Christian Muslim Forum

Statement of Financial Activities (including Income & Expenditure Account) for the year ended 31 May 2006

Recommended categories by activity	Unrestricted funds £	Restricted income funds £	Total £
Incoming resources			
Incoming resources from generated funds	-	-	-
Voluntary income*	133079	113178	246257
Investment income	585		585
Incoming resources from charitable activities	-	-	-
Other incoming resources	-	-	-
<i>Total incoming resources</i>	133664	113178	246842
Resources expended (Notes 3-6)			
Costs of Generating Funds		-	-
Costs of generating voluntary income	168		168
Charitable activities	-	46948	46948
Governance costs	91	2742	2833
<i>Total resources expended</i>	259	49690	49949
<i>Net incoming resources</i>	133405	63488	196893

*This includes funds designated for advance payment of office rent and other office costs which appear in the notes to the accounts as debtors and prepayments. This includes £50000 of unrestricted funds.

**The Christian Muslim Forum
Balance Sheet as at 31 May 2006**

	£
Current assets	
Debtors (Note 9)	82681
Cash at bank and in hand	116283
<i>Total current assets</i>	198964
Creditors: amounts falling due within one year (Note 10)	2071
<i>Net assets</i>	196893
Funds of the Charity	
Unrestricted funds	133405
	-
Restricted income funds	63488
Endowment funds	-
<i>Total funds</i>	196893

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the management committee and signed on its behalf by:
D Gillett, Director

Notes forming part of the Financial Statements for the year ended 31 May 2006

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Companies Act 1985 and the Statement of Recommended Practice : Accounting and Reporting by Charities issued in March 2005.

(b) Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(c) Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts 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.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from charitable trading activity are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

(d) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes VAT, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage.

(e) Fixed assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £1,000 are not capitalised. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in all cases is estimated at 4 years.

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

2. Grants and Donations

	Unrestricted	Restricted	This year £	Last year £
Home Office	50000	81000	131000	-
Tudor	30000	-	30000	-
Dawoodi Bohra	21000	-	21000	-
Church of England Bishops	14400	-	14400	-
Capacity Development Fund	-	14178	14178	-
Wates	-	10000	10000	-
Reckitt	-	8000	8000	-
Baptist Union	5000	-	5000	-
Archbishop of Canterbury	5000	-	5000	-
Ferguson Trust	5000	-	5000	-
Forum Implementation Group	1042	-	1042	-
Spalding Trust	750	-	750	-
Faith & Society	637	-	637	-
URC Southern Province Synod	250	-	250	-
	133079	113178		-
			Total 246257	

3. Total Resources Expended

		Last year	This year
Charitable activities	Forum Members' Expenses	1533	-
	Forum Members Media Training	400	-
	Venue Hire	5196	-
	Forum Catering	490	-
	Forum Projects	1560	-
	Public Events/Room Hire	3025	-
	Total	12203	-
Governance costs	Payroll	19353	-
	Office	7143	-
	Rent	85138	-
	Start-up costs	6553	-
	Total	118187	-

All costs are directly allocated to activities

4. Net Incoming Resources for the Year

This is stated after charging:

Auditors' remuneration – £1175

5. Staff Costs and Numbers

Staff costs were as follows:

Salaries	£15312
Social security costs	£ 1696
Pension costs	£ 1225
Total	£18233

There was 1 employee during the year.

The charity does not operate any pension scheme for its employees but does administer contributions to a stakeholder pension scheme for one member of staff. The charity also makes contributions to this scheme.

6. Trustee Remuneration & Related Party Transactions

No members of the management committee received any remuneration during the year. Travel costs amounting to £64.55 were paid to members of the management committee. No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

7. Taxation

As a charity, the Christian Muslim Forum is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 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.

8. Tangible Fixed Assets

The charity has no fixed assets worth £1000 or more and therefore no depreciation costs.

9. Debtors and prepayments

Other debtors and prepayments of £82,681

10. Creditors

The advance rent and other costs will become due in the following and future years.

Trade creditors	£ 896
Accruals	£1175
Total	£2071

11. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Total
Current Assets	133405	65559	198964
Current Liabilities	-	(2071)	(2071)
Total	133405	63488	196893

12. Movements in Funds

	Incoming Resources	Resources Expended	At 31 May 2006
Restricted Funds			
Religious Harmony and Education	113178	(49690)	63488
Unrestricted Funds			
General Funds	133664	(259)	133405
Total	246842	(49949)	196893

Balances on restricted funds will be used to meet the objectives set out in the Management Committee Report