

**The Christian Muslim Forum**  
(A company limited by guarantee)

**Report and Financial Statements**  
**For the Period Ended 31 December 2006**

**Charity number 1114793**  
**Company number 5461960**

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(A company limited by guarantee)

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## **The Christian Muslim Forum**

### **Report of the Management Committee for the period from 1 June 2006 to 31 December 2006**

The Management Committee presents its report and audited financial statements for the period ended 31 December 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 Ataulah Siddiqui - Vice Chair  
Revd Dr Nicholas Wood - Treasurer  
Dr Musharraf Hussain

#### **Company Secretary**

Mr Julian Bond (Director of Management and Communication)

#### **Founding Patron**

The Most Revd and Rt. Hon. Dr Rowan Williams, Archbishop of Canterbury

#### **Auditors**

Brookfield and Co, 52 Church Road, London, SE19 2EZ

#### **Bankers**

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

## **The Christian Muslim Forum**

### **Report of the Management Committee for the period from 1 June 2006 to 31 December 2006** **Structure, Governance and Management**

#### Governing Document

The Christian Muslim Forum 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 original 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, our Founding Patron, 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. The additional two directors were appointed in July 2006.

#### Risk Management

A review of major risks to which the charity is exposed was commenced in May 2007, after the end of this financial period.

#### 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. 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 Christian Muslim Forum Report of the Management Committee for the period from 1 June 2006 to 31 December 2006**

### **Structure, Governance and Management**

During the current financial period a recruitment exercise was held for a short-term contract Muslim researcher to share the workload and begin the process of improving the co-ordination project delivery. The individual appointed was given a six-month contract commencing on 1 January 2007.

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 process of identifying a sixth, Muslim, Scholar-Consultant was begun during this period ). 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, the Islamic Foundation and Scripture Union 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 period were to:

- deliver the first stage of a programme of activities and projects
- work towards producing useful resources for Christians, Muslims and wider society
- begin the process of appointing a second member of staff

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

- Presidents - London reception for friends and supporters (June 2006)
- Youth - 'OurLives' photographic project (summer 2006)
- Youth - dialogue events, formation of Christian-Muslim dialogue group in Bradford
- Presidents - Northern reception for friends and supporters (November 2006)
- Presidents - Imams and Ministers conference (November 2006)
- Presidents - Religious Festivals statement (November/December 2006)
- Family - regional (London) family seminar (December 2006)
- Community & Public Affairs - Christian-Muslim women's retreat (January 2007)
- Youth - 'Getting Engaged' event for youth leaders (February 2007)
- Education - Schoolchildren and 'Faith' in the Media conference (March 2007)
- Presidents - Scholars' Conference (September 2007)

## **The Christian Muslim Forum Report of the Management Committee for the period from 1 June 2006 to 31 December 2006 Structure, Governance and Management**

### **Achievements and Performance**

The Forum was launched in January 2006 by our Founding Patron. During our second financial period (which was the remainder of our first year of full operational running) we held three quarterly Forum meetings. Some of the discussions and outputs of our work have been:

- Development of a Christian-Muslim etiquette paper for publication (almost complete at December 2006)
- Dialogue on scriptural texts encouraging or discouraging inter faith engagement (for later publication)
- An initial dialogue on 'Gender' in both faiths

Our receptions were attended by around 200 funders and friends and enabled us to strengthen and develop relationships. The OurLives project was successful, though on a small scale, in that we received a diverse range of interesting and often challenging images, which can be viewed in our Gallery (<http://www.christianmuslimforum.org/categories.asp>). We have begun to use these images in our publicity material.

Our most significant event was the first annual imams and ministers conference. Around eighty imams and ministers, evenly balanced between the two faiths met for 24 hours to explore their similarities, differences, where members of both faiths are working together successfully and how they could contribute to improved community cohesion. The conference was filmed by Muslim television channel ARY Digital with the aim of producing a short film of the conference and our work. This event was enabled by promised project funding from Muslim Hands and Islamic Relief (not received in this financial period).

We also achieved significant media coverage with our 'Religious Festivals and Celebrations' statement which we released in the weeks leading up to Christmas. There were major articles written in both the Daily Mail and the Guardian as well as much coverage on the internet.

### Outreach

We reached out to non-English speaking Muslims and Christians through the initial translation of our website into Arabic and Urdu. We were also in contact with existing and new supporters through our two receptions and the imams and ministers conference. Our 'Religious Festivals' statement was our most significant piece of outreach as it was sent to local authorities around the country and we received feedback from members of the public in the UK and overseas.

**The Christian Muslim Forum  
Report of the Management Committee for the period from 1 June 2006 to 31  
December 2006 Structure, Governance and Management**

**Financial Review**

We continued to receive round one funding from the Faith Communities Capacity Building Fund and applied for additional funding in round two. We implemented an online donation facility from the Charities Aid Foundation on our website although no donations were received from website visitors before the end of the financial period. Project income was received for our 'Getting Engaged' youth workers event, the first for which we had made a charge. A grant from Islamic Relief was awaited at the end of the financial period (invoice issued in November 2006).

A few weeks before the end of the financial period we met with the trustees of the Kirby Laing Family trusts. We were still awaiting the outcome of this meeting at the end of the financial period.

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 next financial period.

**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 Christian Muslim Forum  
Report of the Management Committee for the period from 1 June 2006 to 31  
December 2006 Structure, Governance and Management**

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. have expressed their willingness to continue in their capacity as the charitable company's auditors. A resolution proposing their reappointment will be put to the Annual General Meeting.

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:

**Musharraf Hussain, Director**



Musharraf Hussain  
Director

**31 October 2007**

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

We have audited the financial statements for the year ended 31 December 2006 on pages 10 to 11 which have been prepared on the basis of the accounting policies set out on page 12 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**

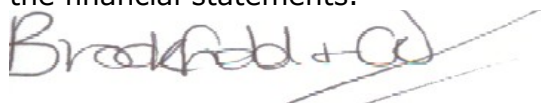
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

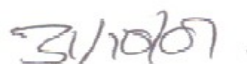
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 December 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

  
Date:

## The Christian Muslim Forum

### Statement of Financial Activities (including Income & Expenditure Account) for the period from 1 June 2006 to 31 December 2006

	Unrestricted funds £	Restricted income funds £	Total	Period to 31 May 2006 £
<b>Incoming resources</b>				
<b>Incoming resources from generated funds</b>				
Voluntary income (note 2)				
Grants and donations	5000	27853	32853	246257
Memberships	285		285	
Other income	10		10	
Activities for generating funds				
Fundraising	10		10	
Investment income	1437		1437	585
<b>Total incoming resources</b>	<b>6742</b>	<b>27853</b>	<b>34595</b>	<b>246842</b>
 <b>Resources expended</b>				
<b>(Notes 3-6)</b>				
<b>Costs of Generating Funds</b>				
Costs of generating voluntary income	350		350	168
Charitable activities	52172	16478	68650	46948
Governance costs	1205		1205	2833
<b>Total resources expended</b>	<b>53727</b>	<b>16478</b>	<b>70205</b>	<b>49949</b>
<b>Net movement in funds</b>	<b>(46985)</b>	<b>11375</b>	<b>(35610)</b>	<b>196893</b>
 <b>Reconciliation of funds</b>				
Total funds brought forward	133405	63488	196893	
<b>Total funds carried forward</b>	<b>86420</b>	<b>74863</b>	<b>161283</b>	<b>196893</b>

All the above results derive from continuing charitable grants and activities and there were no recognised gains or losses other than those stated above.

The notes on pages 12 to 16 form part of these accounts

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

	<b>Period to 31 December 2006</b>	<b>Period to 31 May 2006</b>
	<b>£</b>	
<b>Current assets</b>		
Debtors (Note 9)	68265	82681
Cash at bank and in hand	100922	116283
<b>Total current assets</b>	<b>169187</b>	<b>198964</b>
Creditors: amounts falling due within one year (Note 10)	(7904)	(2071)
<b>Net current assets</b>	<b>161283</b>	<b>196893</b>
<b>Funds of the Charity</b>		
Unrestricted funds	86420	133405
		-
Restricted income funds	74863	63488
<b>Total funds</b>	<b>161283</b>	<b>196893</b>

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:

**Musharraf Hussain, Director**

**31 October 2007**

The notes on pages 12 to 16 form part of these accounts

**Christian Muslim Forum**  
**Notes forming part of the Financial Statements for the period from 1 June 2006 to 31 December 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 and on a going concern basis, which is dependent upon the availability of adequate continued funding. The nature of the charity's funding is inherently uncertain as it is only agreed by the funding bodies every one to three years. Should grant funding be discontinued in future years, the charity would have to find other sources of funding or significantly curtail its activities.

The accounts have been prepared in accordance with the special provisions of part 7 of the Companies Act 1985 relating to small entities. The Charities Act 2003, Accounting and Reporting by Charities – Statement of Recommended Practice (SORP 2005) and Financial Reporting Standards for Smaller Enterprises (FRSSE).

*(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.

**Christian Muslim Forum**  
**Notes forming part of the Financial Statements for the period from 1 June 2006 to 31 December 2006**

*(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**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>This Period</b>	<b>Last Period</b>
Capacity Development Fund		23853	23853	14178
Islamic Centre of England	5000		5000	-
Islamic Relief		4000	4000	-
Home Office				131000
Tudor				30000
Dawoodi Bohra				21000
Church of England Bishops				14400
Wates				10000
Reckitt				8000
Baptist Union				5000
Archbishop of Canterbury				5000
Ferguson Trust				5000
Forum Implementation Group				1042
Spalding Trust				750
Faith & Society				637
URC Southern Province Synod				250
<b>Total</b>	<b>5000</b>	<b>27853</b>	<b>32853</b>	<b>246257</b>

**Christian Muslim Forum**  
**Notes forming part of the Financial Statements for the period from 1 June 2006**  
**to 31 December 2006**

**3. Total Resources Expended**

	Cost of Generating voluntary income £	Religious harmony & education £	Governance costs £	Total £	Year to 31 May 2006 Total £
Staff costs		25520		25520	18233
Recruitment		4357		4357	4386
Training		180		180	540
Public events and forums		8620		8620	8245
Forum participants expenses		3142		3142	1853
Travel		1868		1868	597
Rent		14394		14394	6169
Insurance					1325
Website and publicity		2766		2766	3347
IT costs		871		871	1026
Other office costs		6819		6819	1324
Legal and professional fees	350		30	380	1567
Audit fees			1175	1175	1175
Subscriptions and memberships		113		113	25
Management committee meeting					91
Bank charges					40
<b>Totals</b>	<b>350</b>	<b>68650</b>	<b>1205</b>	<b>70205</b>	<b>49949</b>

**4. Net Incoming Resources for the Year**

This is stated after charging:	<b>1 June 2006 to 31 December 2006 £</b>	<b>Period to 31 May 2006 £</b>
Auditors' remuneration	1175	1175

**Christian Muslim Forum**  
**Notes forming part of the Financial Statements for the period from 1 June 2006 to 31 December 2006**

<b>5. Staff Costs and Numbers</b>	<b>1 June 2006 to 31 December 2006 £</b>	<b>Period to 31 May 2006 £</b>
Staff costs were as follows:		
Salaries	21437	15312
Social security costs	2368	1696
Pension costs	1715	1225
Total	25520	18233

The average number of employees during the period was 1 (period to 31 May 2006 - 1).

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 (2006 - 1). 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 period (period to 31 May 2006 - Nil). Expenses amounting to £860 (travel costs) were paid to members of the management committee (period to 31 May 2006 - travel costs of £65 were reimbursed).

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 (period to 31 May 2006 - none).

**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 (period to 31 May 2006 - none).

**8. Tangible Fixed Assets**

The charity has no fixed assets worth £1000 or more and therefore no depreciation costs (period to 31 May 2006 - none).

<b>9. Debtors and prepayments</b>	<b>1 June 2006 to 31 December 2006 £</b>	<b>Period to 31 May 2006 £</b>
Accrued grants	4000	-
Other debtors and prepayments of	64265	82681
<b>Total</b>	<b>68265</b>	<b>82681</b>

**Christian Muslim Forum**  
**Notes forming part of the Financial Statements for the period from 1 June 2006 to 31 December 2006**

**10. Creditors: amounts falling due within one year**

	<b>1 June 2006 to 31 December 2006</b>	<b>Period to 31 May 2006</b>
	<b>£</b>	<b>£</b>
Trade creditors	2194	896
Social security and other taxes	3360	0
Accruals	2350	1175
	<b>7904</b>	<b>2071</b>

**11. Analysis of Net Assets between Funds**

	Unrestricted Funds	Restricted Funds	Total
Current Assets	94324	74863	169187
Current Liabilities	(7904)		(7904)
<b>Net Assets</b>	<b>86420</b>	<b>74863</b>	<b>161283</b>

**12. Movements in Funds**

	<b>At 1 June 2006</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>At 31 December 2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted Funds</b>				
Religious Harmony and Education	63488	23853	(16478)	70863
Islamic Relief	-	4000	(4000)	-
<b>Unrestricted Funds</b>				
General Funds	133405	6742	(49727)	86420
<b>Total funds</b>	<b>196893</b>	<b>34595</b>	<b>(70205)</b>	<b>161283</b>

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