

REGISTERED COMPANY NUMBER: 03544402
REGISTERED CHARITY NUMBER: 1073862

**MANCHESTER ISLAMIC EDUCATIONAL TRUST
LTD**

REPORT OF THE TRUSTEES AND

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

Xeinadin Audit Ltd (Statutory Auditor)
36 Old Jewry
London
EC2R 8DD

**MANCHESTER ISLAMIC EDUCATIONAL TRUST
LTD**

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FOR THE YEAR ENDED 31 AUGUST 2022**

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**MANCHESTER ISLAMIC EDUCATIONAL TRUST
LTD**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2022**

| | |
|----------------------------------|---|
| Trustees | Dr A Al Majid Dr H Al Majid Dr A M Al Saif (resigned 31.10.22) Mr M S Al-Astewani Dr H S A Al-Khaffaf Mr I A B Al-Salam Mr K Z Hafeez (resigned 23.1.23) Mrs F Javid Mr A A O Kawooya Mr N Mahmood Mr S B Salam Mr A U Sheikh Mr F Zaheer Mr S A Chaudhri (appointed 16.11.22) |
| Registered office | Hartley Hall Alexandra Road South Manchester M16 8NH |
| Registered company number | 03544402 |
| Registered charity number | 1073862 |
| Auditors | Xeinadin Audit Ltd (Statutory Auditor) 36 Old Jewry London EC2R 8DD |

**MANCHESTER ISLAMIC EDUCATIONAL TRUST
LTD (REGISTERED NUMBER: 03544402)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). The trustees who served during the year and up to the date of this report are set out on page 1.

Manchester Islamic Educational Trust (MIET) Ltd was incorporated on 9 April 1998 as a company limited by guarantee, under company number 3544402 and has been granted charitable status under Charities Act 1960, on 8 February 1999 under registration number 1073862. MIET runs KD Grammar School for Boys, Manchester Islamic Grammar School for Girls (formerly known as Manchester Islamic High School for Girls) - name change has been approved by Department for Education, and Manchester Muslim Preparatory School. These schools operate from three different sites. Land and buildings on these sites are fully owned by MIET. The Trust, which is a limited company, is governed by the policies made from time to time by the trustees together with the terms of its Memorandum and Articles of Association which set out the objects and powers of the company. The trustees are also Directors of the Charity for the purposes of the Companies Act 2006. The power of appointing new trustees is vested in the trustees. The procedure to appoint or withdraw a trustee is adopted in accordance with the Trust Deed.

New appointment(s) must serve a minimum probationary period of six months, or longer as the case may be are based on personal competence, independence of character, judgement and specialist skills and there are no relationships or circumstances which are likely to affect, or could appear to affect, the Boards' judgement. Subject to a satisfactory outcome of the probationary period, a permanent trusteeship may be offered. The Board may also, by a unanimous agreement as specified in its Memorandum and Articles of Association, appoint an employee as a Trustee provided no special financial gain may accrue to this Trustee.

An appropriate level of instruction is provided for both new and existing Trustees to update their knowledge and place them in a position where they could sensibly identify their role and responsibilities. From time to time, Trustees go on formal relevant training courses that our Schools and that individual Trustees identify are required for them to be able to discharge his/her duty.

Moreover, the Trustees are also encouraged to attend relevant external briefings and training courses. They are particularly encouraged to attend various schools' functions and to meet with members of the Senior Leadership Team and staff, in order to be able to understand further the nature of the Schools' business. Moreover, the Trustees meet regularly to manage the affairs of the schools and to discuss other affairs. The Board comprises members from a variety of backgrounds and there are sub-committees dealing with various aspects of the operation. All major decisions are ratified by the Board of Trustees. In addition, the trustees are also responsible for setting out the strategy of the Trust and monitoring its progress towards the stated aims and objectives. No additional trustee was appointed and no trustee resigned during this year.

Staff & management are required to progress the aims and objectives of the schools under the Trust's control. Furthermore, students and staff are continuously encouraged to contribute to the local and wider community by establishing and developing links at various levels. The day-to-day management of each school is delegated to the respective Head teacher supported by their Senior Management/Leadership Team. The Head of each School undertakes the key leadership role, overseeing the educational, pastoral and administrative functions in consultation with the senior staff. The day-to-day administration of each School is undertaken in line with the policies and procedures approved by the Trust. Significant expenditure decisions and major capital projects are referred to the Trust for prior approval by the school management. In addition, there are sub-committees covering staffing, curriculum, safeguarding, health & safety, finance and buildings which meet more regularly and are attended by the respective school leaders. This team in turn delegates the responsibility to the teaching and non-teaching staff to ensure smooth implementation.

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trust is managed by the Board of Trustees. This Board, annually, appoints a Chairperson, Vice Chair Person, and Treasurer. The Board also appoints various coordinators, links and personnel responsible for policies which are of great importance to the schools, i.e. Safeguarding of children; Health & Safety, Finance, Ethos and Vision of the schools and the Trust, etc. Trustees, have also been employing a Trust Administrative Manager to provide a more in-depth oversight over the school's operation and performance, reporting to the Chairperson and the Vice Chair as well as the Treasurer. Each school has a dedicated professional leadership team, most of them have either been already trained in a Senior Leadership role or are being encouraged to undertake this training from the appropriate and accredited training colleges/institutions. The cost of this training is borne by the Trust. The school leadership is also encouraged to develop middle leadership skills from amongst its staff and departments within each school.

The objective of the Trust is the advancement in the United Kingdom of education in general, in conjunction with, and complimented by Islamic education. Secondly, it is the objective of the Trust to provide and maintain schools within the United Kingdom for providing facilities to enable young persons in the doctrines and practices of the Islamic faith and in the Arabic language. In this respect the Trust follows the latest regulations in that it promotes actively the Prevent Strategy of the government and the promotion of democracy and British values. The Trust may in the future try and establish additional Islamic schools to meet demand, but this is subject to availability of adequate funds.

Objectives and activities

Objectives and aims

Investment policy

The Board of Trustees is authorised under the Memorandum and Articles of Association to make and hold investments using the general funds of this Charity. However, no such investments are presently held or have been made. Part of one of Trust's properties, The North Wing of Hartley Hall, is rented to Hartley Hall of Residence Ltd and it has not been valued separately. No separate valuation for the part of the property rented to Hartley Hall of Residence has been done as the trustees feel it would not serve any purpose as the property in its entirety has been valued for rebuild purpose. For the purpose of obtaining a fair rent, an outside rental valuation agency was employed to determine this. Rent based on this valuation is being received from Hartley Hall of Residence.

Risk management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks. In addition to the risk assessments carried for the purpose of insurance, the schools also carry out numerous other risk assessments as required by the various regulations governing schools.

Additionally, in accordance with normal commercial practice the Trust has purchased insurance, which also includes protection for the Trustees and staff from claims arising from negligent acts, error or omissions occurring whilst on School business.

Intended impact and strategies

Within these objects, MIET aims to provide services which will be beneficial to the community it has been set up to serve. The aim of the charity is to benefit the public in the widest possible manner with a view to educate children in a faith-based ethos and environment. MIET is firmly of the belief that such an ethos and environment best serve the public interest and is beneficial for the children who are recipients of the service provided. Education steeped in a faith ethos will prove a firm foundation on which higher education can build a much better citizen who can benefit the nation much more. It is for these reasons that MIET first established faith-based schools: Islamic High School for Girls was established in 1992 (currently known as Manchester Islamic Grammar School for Girls), followed shortly thereafter by Manchester Muslim Preparatory School. KD Grammar School for Boys was established in 1999.

**MANCHESTER ISLAMIC EDUCATIONAL TRUST
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

The schools implement the aims and objectives of the Trust and further the interest of public benefit by endeavouring to provide an outstanding independent education, through strong academic tuition, awareness of spiritual values and developing artistic, spiritual moral, cultural and social skills in all students. This is intended to provide an environment where each pupil can begin to realise his or her own potential, thus helping to build self-confidence and self-esteem in preparation for a contented and fulfilling life contributing to the welfare of the wider community. This is achieved by offering education appropriate to the needs of boys and girls aged from 3 to 16.

Progression is given as much emphasis as attainment - they are interlinked. The schools have consistently shown to achieve a much higher value-added component to its educational mix and regime than the national average. Quality of pupils wishing to enrol in our schools is varied, and as diagnostic tools are becoming more sophisticated, it is becoming increasingly evident that some children require specialist SEND support. The schools are equipping themselves to be able to provide this in as many cases as possible. It has been agreed by the Trust to constantly upskill its SEND coordinators so that they are able to provide a continually improved provision and service in this area. These persons then can, in turn, provide the requisite skills to other teaching staff on application of diagnosing and proper application of teaching methodology in this area for these pupils.

The Trustees aim to create a supportive and caring environment where each pupil is recognised and is educated as an individual. MIET seeks to produce academically and spiritually well-educated young men and women, with highly developed interpersonal skills with a broad range of interests. Hence pupils can compete at any level with the brightest and the best.

The Trust recognised that many parents' lives are affected during the pandemic and that this resulted in a huge strain on the personal finances of some families. Nonetheless, the Trust has over the years continued to extend additional financial help and assistance, in various forms, to the less fortunate who have found it difficult to pay the full fees, as well as discounts to siblings. This has amounted to approximately £170,000 (2021: £150,000). By offering discount on fees, and occasionally helped by donations received from other sources, MIET has been able to help those who require financial assistance. It has also instituted a Scholarship Scheme whereby it has permitted each of the schools to allow for up to 5 scholarships based entirely and solely on academic achievement of prospective applicants. The trustees continue to explore the area of higher education where some of the students after completing their GCSEs can also avail the opportunity of doing their A level at our schools. It is hoped that with the improvement of economic climate and outlook in the country additional funds will become available to implement this plan.

It is also worth mentioning here that no discount on fees, or any other incentive, financial or otherwise, is offered or given to any trustee who has a child or children enrolled in any of our schools.

With the marketing effort that was started by the Trust a few years ago beneficial result is being seen in the form of increased interest in the schools by the community, leading to higher than usual applicants wishing to enrol.

The previous two reporting periods were marked by significant COVID pandemic disruption. While this risk has receded somewhat, continued vigilance and effective management remain in place to ensure and assure safety at our schools. However, fresh challenges have subsequently emerged. Notably, some travel disruption and a shift in the global economy.

The year ended 31 August 2022 was the first year, after the end of the pandemic, which was not impacted by the Coronavirus. During the autumn term, schools ensured that the necessary health and safety measures continued to be adhered to. Our schools were proud they had a smooth and a very well prepared start of the academic year where staff and pupils settled in very quickly and the school returned back to its normal routine sooner than we expected.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

Both pupils and staff were happy to be released from the constraints of the COVID bubbles upon their return in September. This has given us more flexibility in mixing between year groups and staff have once again taken ownership of their classrooms, leading to improved display around the school. Staff in our high schools have been grateful not to have to carry resources around with them, and this has allowed greater creativity in delivery of lessons. Furthermore, face-to-face meetings took place fully during the summer term.

Parents seemed very pleased and relieved that their children returned to full time education after such a long time of uncertain and anxiety. However, it became clear at the end of last academic year, just how much of a detrimental effect the pandemic had on all aspects of students' education. Swift actions were taken with the introduction of after school booster classes in English and Math which were run by subject teachers who were able to deliver sessions tailored to their students' need. Parents were appreciative that school offered these sessions at no cost to them.

Additionally, the class of 2021 Graduation Evening of the Girls & Boys schools held at different venues and enjoyed by all. Finally, after two years with no GCSE examination, the Year 11 pupils in our high schools have successfully, like all private and mainstream schools, sat their examinations.

Extra-curricular Activities have returned to normal post-COVID levels. Our schools were delighted to have been able to offer a full range of clubs, New Parents Coffee Morning, day visits and residential visits, PTA food fairs, Sports Day, Quran Competition which have enhanced the opportunities and enjoyment for our pupils.

Costs continued to be tightly controlled and discretionary expenditure was targeted at priority areas during the year to ensure pupils enjoyed the best experience possible after having returned from the restricted periods of the Pandemic.

More broadly, pupil numbers remain strong and the Trustees are extremely confident in the Schools' continuing ability to deliver the objects set out in its Articles of Association for the future.

Strategic report

Achievement and performance

The trustees are pleased that the academic attainment and achievement of the schools has shown improvement throughout the year. The public examination results for GCSEs continued to reflect the high level of progress, improvement and achievement expected from the students at both schools. Teaching and learning continue to improve. Staff is continuously being trained to improve in this area; regular CPDs and staff insets are organised; extra-curricular activities continue to expand. The organisation of interfaith exchange programmes, fund raising for various Appeals and Charities, such as Penny Appeal, Islamic relief, Christies Hospital, etc. are again being regularly conducted with a view to impart the importance of such activities in raising awareness of the children and character building. The aim is to foster an appreciation amongst our pupils of the needs of others less fortunate than themselves. This social awareness and sensitivity is fostered by regular fundraising. For all good causes, the Schools raised around £130,584 during the year. The Trustees are also satisfied that the schools are achieving their stated objectives throughout the year in question.

In line with maintaining the buildings and keeping the schools in good and presentable condition, and to fulfil the Health & Safety guidelines, regular repair and maintenance work is carried out. In the Schools computers are regularly upgraded or replaced as and when necessary for the betterment of education. The schools have inter-active boards as an additional resource to be used by staff to inform the students better and facilitate their educational experience in a more robust manner. All this is in line with the Trusts' strategy to improve their educational facilities and to provide an atmosphere where students can feel safe and learn in an environment conducive to learning.

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trust has this year, as in last few years, been unable to raise funds for capital projects either locally or from abroad. This has remained difficult. However, attempts are continually being made to raise funds to implement smaller improvement and refurbishment work. Efforts are also made to raise funds to provide financial help to deserving children and their parents.

The Trustees' policy, is to award scholarships on the basis of the individual's ability. Whether or not a scholarship is offered, parents also have the opportunity to apply for a means tested bursary to supplement it so that their children can come to the schools. Means-tested bursaries are also available to new entrants to the School to widen public access and they are also available to existing parents encountering unforeseen hardship through no fault of their own, whose children's education is at critical stage.

In line with the policy and vision of the Trust, MIET aims to provide British values to their students which is in no way different from the values expressed by their faith: values of tolerance, peace, coexistence, to be charitable, etc. The pupils are taken to houses of worship of other religions and faiths; pupils of other faiths are invited to visit our schools and pupils from our schools visit schools of other faiths or none.

Each school is fortunate to have staff that is hard working and is fully committed and, in turn, is led by a capable leader and Senior Management/ Leadership Teams. New structure in the form of a promotion of senior leadership member to the position of Headteacher or a leader, under the guidance of the very experienced executive Headteacher. The position of the Executive Headteacher, a scheme which was instituted in 2017, includes oversight of all the three schools; providing guidance when needed, experience and support when and where required. There have been a few staff changes during the year at all the schools; this is in line with such changes taking place at all schools during the academic year. The Boys School and the Preparatory School also have a Deputy Headteacher to help the leadership. The Senior Management/ Leadership Team of each school continue to review the curriculum and extra-curricular activities to ensure its relevance in improving the quality of education. In accordance with its charitable objectives the Schools continued to provide a high quality of education blended with faith based subjects and curriculum for its pupils. The Schools will continue to be improve and broaden their curriculum using ongoing feedback.

Financial review

Financial position

The schools' principal funding source is from school fees, which amounted to £3,135,563 (2021: 2,681,129). The schools continue, with the ease of COVID restrictions, to hire out facilities, including during vacations and after-school hours, and have contributed £84,000 to the income. This facility is provided to the community and the public at discounted prices/rates so as to facilitate ease of availability with a view to benefit the community and public. Overhead percentage has remained fairly consistent throughout the period.

Although the principal source of funding for running the schools is the fee charged from the students however, fundraising is being pursued continuously by the schools and the Trust to augment the funds needed.

Reserves policy

This policy details that the charity presently maintains unrestricted funds or/and sufficient asset value to cover unforeseen and major expenditure and shortfalls in income of at least two months. This reserve is to be considered unrestricted. The trustees remain confident in their ability to raise the necessary funds, thereby adhering to the maintenance of a balanced budget.

The Trust also has the following written policies:

1. Volunteer policy.
2. Conflict of interest policy.
3. Investment policy.

Going concern

The trustees consider that the projected net income and the value of realisable assets will be more than adequate to cover the current liabilities of the charity. Hence the trustees conclude that the accounts comply with the requirements of the Trust's governing body and it remains a going concern.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Financial review

Remuneration policy

The charity follows a policy on remuneration very much dependant on demand and supply of requirement of personnel with a particular skill set or specialism at the given time. It nevertheless considers the overall budgetary and financial position of the charity at that particular time. The risk of losing personnel to other organisations willing to pay more lucrative remuneration always exists however, the charity offsets this by employing younger personnel. It institutes a very rigorous and robust training and professional development programme to add and provide rigour to teaching and learning and other areas associated with improving the provision of education. Another attraction offered, especially to the higher management level staff, is to provide a very pleasant and friendly workplace environment where they are made to feel important and valued.

Strategic Report, financial review, plans for future periods

The key plans related to the charitable aspects of the schools remain as follows:

1. Improvement in teaching & learning;
2. To continue focusing on continued professional development for teachers and the management;
3. Prepare for future school inspections;
4. Ensure an environment that remains as COVID-19 safe as practicable and follows Government guidelines;
5. To maintain the schools continuous work in giving our pupils every opportunity to be the best they can be, both in and outside the classroom;
6. High expectations and learning strategies tailored to the individual pupil, lead to high levels of attainment;
7. Pupils are encouraged to take on challenges, to overcome setbacks and to see failure as part of the journey to success, to develop the resilience, initiative, flexibility, creativity and collaborative skills that will prepare them for the next stage of their education and later life;
8. To excite, engage and challenge each child, motivating them to explore and develop a lifelong love of learning, supported by teachers who are passionate about their subject and are themselves lifelong learners;
9. Our future plans are financed primarily from fee income and existing resources. The Trustees view our bursary and scholarship awards as important in widening access to the education our schools provides and is committed to maintaining these budgets in the future;
10. Greater emphasis was given to continuous development & training of staff members so that improved teaching and learning and greater numbers could be classified as "Outstanding" and "Good" in their field of work;
11. Continued forensic review of budgets and financial spending
12. Improvement of the marketing plans for recruiting extra students in all schools;

Searching for a new building:

When the two schools, namely the Preparatory and the Girls' secondary school were established, the premises were considered sufficient in terms of their structure, outlook, and size. They were also segregated from each other since they are geographically located in two different parts of the city.

The Trust has for some time recognised that to be able to continue providing the service, that it has been providing for almost thirty years, to a much increased and larger community, and to fulfil the vision, aims & objectives for which this Trust had been set-up, a larger and a more suitable premises had to be found. The Trust had not been successful in locating such a premises until recently when it found a perfectly located premises, namely Fielden Park Campus. It is located in the schools' preferred catchment area and it is up for sale.

As already mentioned above the current school sites are not fit for purpose: because they are old buildings and not large enough to accommodate the increase in school admissions due to the excellent reputation of the schools and the increase in the number of Muslim communities over the years. The acquisition of Fielden College premises and site allows the advantages including:

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

**Strategic report
Financial review**

A. The two schools, Manchester Islamic Grammar School for Girls and Manchester Muslim Preparatory School can be located on one site which is not only large enough to accommodate both the schools but will additionally allow the expansion of these two schools.

B. Having both schools on one site may allow the reduction in management staff and will permit use of other non-teaching and teaching staff much more efficiently because of having both schools in one place. This will of course release more income to raise educational achievement and long-term sustainability.

C. One important consideration which should not be ignored is the impression and the feeling of pride that the establishment of these ISLAMIC schools on this site and in this building will have on our community, and the message it will carry to all communities in the area

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Statement of trustees' responsibilities

The trustees are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the trustees are required to:

- 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 presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

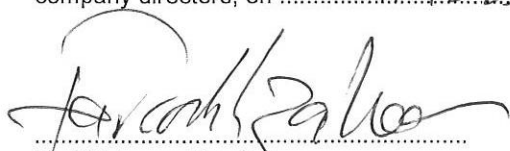
In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Xeinadin Audit Ltd (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on17/5/2023..... and signed on the board's behalf by:


.....
Mr F Zaheer - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MANCHESTER ISLAMIC EDUCATIONAL TRUST
LTD**

Opinion

We have audited the financial statements of Manchester Islamic Educational Trust Ltd (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MANCHESTER ISLAMIC EDUCATIONAL TRUST LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the charities sector;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MANCHESTER ISLAMIC EDUCATIONAL TRUST
LTD**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in notes to accounts were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.
- in response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Farook Patel (Senior Statutory Auditor)
for and on behalf of Xinadin Audit Ltd (Statutory Auditor)
36 Old Jewry
London
EC2R 8DD

Date: 19/5/2023

**MANCHESTER ISLAMIC EDUCATIONAL TRUST
LTD**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

| | | Unrestricted funds £ | Restricted fund £ | 2022 Total funds £ | 2021 Total funds £ |
|------------------------------------|-------|----------------------------|-------------------------|-----------------------------|-----------------------------|
| | Notes | | | | |
| Income and endowments from | | | | | |
| Donations and legacies | 3 | 133,645 | - | 133,645 | 210,344 |
| Charitable activities | 4 | | | | |
| Charitable activities | | 3,261,818 | - | 3,261,818 | 2,761,587 |
| Total | | <u>3,395,463</u> | <u>-</u> | <u>3,395,463</u> | <u>2,971,931</u> |
| Expenditure on | | | | | |
| Charitable activities | 5 | | | | |
| Charitable activities | | <u>3,232,341</u> | <u>-</u> | <u>3,232,341</u> | <u>3,018,673</u> |
| NET INCOME/(EXPENDITURE) | | 163,122 | - | 163,122 | (46,742) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 3,235,558 | - | 3,235,558 | 3,282,300 |
| Total funds carried forward | | <u><u>3,398,680</u></u> | <u><u>-</u></u> | <u><u>3,398,680</u></u> | <u><u>3,235,558</u></u> |

The notes form part of these financial statements

MANCHESTER ISLAMIC EDUCATIONAL TRUST
LTD (REGISTERED NUMBER: 03544402)

STATEMENT OF FINANCIAL POSITION
31 AUGUST 2022

| | Notes | Unrestricted funds £ | Restricted fund £ | 2022 Total funds £ | 2021 Total funds £ |
|--|-------|-------------------------|----------------------|--------------------------|--------------------------|
| Fixed assets | | | | | |
| Tangible assets | 11 | 3,137,350 | - | 3,137,350 | 3,184,231 |
| Current assets | | | | | |
| Debtors | 12 | 535,445 | - | 535,445 | 68,686 |
| Cash at bank and in hand | | 288,491 | - | 288,491 | 586,934 |
| | | 823,936 | - | 823,936 | 655,620 |
| Creditors | | | | | |
| Amounts falling due within one year | 13 | (562,606) | - | (562,606) | (604,293) |
| Net current assets | | 261,330 | - | 261,330 | 51,327 |
| Total assets less current liabilities | | 3,398,680 | - | 3,398,680 | 3,235,558 |
| NET ASSETS | | 3,398,680 | - | 3,398,680 | 3,235,558 |
| Funds | 14 | | | | |
| Unrestricted funds | | | | 3,398,680 | 3,235,558 |
| Total funds | | | | 3,398,680 | 3,235,558 |

The financial statements were approved by the Board of Trustees and authorised for issue on 17/5/2023 and were signed on its behalf by:


Mr F Zaheer - Trustee

The notes form part of these financial statements

**MANCHESTER ISLAMIC EDUCATIONAL TRUST
LTD**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

| | Notes | 2022 £ | 2021 £ |
|---|-------|-----------|-----------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | (235,685) | 103,777 |
| Net cash (used in)/provided by operating activities | | (235,685) | 103,777 |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (62,758) | (45,740) |
| Sale of fixed asset investments | | - | 100 |
| Net cash used in investing activities | | (62,758) | (45,640) |
| Change in cash and cash equivalents in the reporting period | | (298,443) | 58,137 |
| Cash and cash equivalents at the beginning of the reporting period | | 586,934 | 528,797 |
| Cash and cash equivalents at the end of the reporting period | | 288,491 | 586,934 |

The notes form part of these financial statements

**MANCHESTER ISLAMIC EDUCATIONAL TRUST
LTD**

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

| | | | |
|---|------------------|------------------|-------------------|
| 1. Reconciliation of net income/(expenditure) to net cash flow from operating activities | | | |
| | 2022 | 2021 | |
| | £ | £ | |
| Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities) | 163,122 | (46,742) | |
| Adjustments for: | | | |
| Depreciation charges | 109,639 | 108,508 | |
| Increase in debtors | (466,759) | (17,281) | |
| (Decrease)/increase in creditors | (41,687) | 59,292 | |
| Net cash (used in)/provided by operations | <u>(235,685)</u> | <u>103,777</u> | |
| 2. Analysis of changes in net funds | | | |
| | At 1.9.21 | Cash flow | At 31.8.22 |
| | £ | £ | £ |
| Net cash | | | |
| Cash at bank and in hand | 586,934 | (298,443) | 288,491 |
| | <u>586,934</u> | <u>(298,443)</u> | <u>288,491</u> |
| Total | <u>586,934</u> | <u>(298,443)</u> | <u>288,491</u> |

The notes form part of these financial statements

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Income from school fees represents fees earned in respect of the provision of education to pupils during the year. Fees for education to be provided in future years are carried forward as deferred income in the balance sheet.

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Income from investments is included in the year in which it is receivable.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.

Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|-----------------------|------------------------------------|
| Freehold property | - 2% per annum straight line basis |
| Short leasehold | - Straight line over 10 years |
| Plant and machinery | - 15% on reducing balance |
| Fixtures and fittings | - 15% on reducing balance |
| Motor vehicles | - 25% on reducing balance |

Taxation

The charity is exempt from corporation tax on its charitable activities.

**MANCHESTER ISLAMIC EDUCATIONAL TRUST
LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash and bank in hand, trade debtors and other debtors. A specific provision is made for debts for which recoverability is in doubt. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. Donations and legacies

| | 2022 | 2021 |
|--------------------|----------------|----------------|
| | £ | £ |
| Donations received | 130,584 | 30,430 |
| Grants | - | 137,883 |
| Other income | 3,061 | 42,031 |
| | <u>133,645</u> | <u>210,344</u> |

**MANCHESTER ISLAMIC EDUCATIONAL TRUST
LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Income from charitable activities

| | | 2022 | 2021 |
|---|-----------------------|------------------|------------------|
| | Activity | £ | £ |
| School fees | Charitable activities | 3,135,563 | 2,681,129 |
| Rent received and hire of facilities | Charitable activities | 84,000 | 69,648 |
| Books, sundry fees and miscellaneous income | Charitable activities | 42,255 | 10,810 |
| | | <u>3,261,818</u> | <u>2,761,587</u> |

5. Charitable activities costs

| | Direct Costs | Support costs (see note 6) | Totals |
|-----------------------|---------------------|-----------------------------------|------------------|
| | £ | £ | £ |
| Charitable activities | <u>2,505,907</u> | <u>726,434</u> | <u>3,232,341</u> |

6. Support costs

| | Management | Finance | Information technology |
|-----------------------|-------------------|-------------------------|-------------------------------|
| | £ | £ | £ |
| Charitable activities | <u>574,455</u> | <u>9,307</u> | <u>74,090</u> |
| | Other | Governance costs | Totals |
| | £ | £ | £ |
| Charitable activities | <u>2,182</u> | <u>66,400</u> | <u>726,434</u> |

7. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

| | 2022 | 2021 |
|-----------------------------|----------------|----------------|
| | £ | £ |
| Auditors' remuneration | 4,920 | 4,680 |
| Depreciation - owned assets | <u>109,639</u> | <u>108,508</u> |

8. Trustees' remuneration and benefits

During the year charity paid remuneration £22,800 (2021: £22,800) to Mr K Z Hafeez and £2,500 (2021:£nil) to Mr A U Sheikh in addition to their trusteeship.

**MANCHESTER ISLAMIC EDUCATIONAL TRUST
LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

8. Trustees' remuneration and benefits - continued

Trustees' expenses

There were no trustee expenses paid for the year ended 31 August 2022 (2021: £nil).

Balance due with trustee

During the year, one of the trustee Mr F Zaheer has advanced £30,000 (2021: £NIL) to the charity as a loan. The loan is interest free and repayable on demand.

9. Staff costs

| | 2022 | 2021 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,172,751 | 2,095,663 |
| Social security costs | 166,223 | 146,839 |
| Other pension costs | 40,468 | 36,689 |
| | <u>2,379,442</u> | <u>2,279,191</u> |

The average monthly number of employees during the year was as follows:

| | 2022 | 2021 |
|----------------|-------------|-------------|
| | | |
| Teaching staff | 73 | 77 |
| Support staff | 49 | 37 |
| | <u>122</u> | <u>114</u> |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2022 | 2021 |
|-------------------|-------------|-------------|
| | | |
| £70,001 - £80,000 | <u>1</u> | <u>1</u> |

The key management personnel of the charity comprise the Trustees, the head teachers and the trust administrators. The total employee benefits of the key management personnel of the charity were £152,800 (2021:£177,299).

10. Comparatives for the statement of financial activities

| | Unrestricted funds £ | Restricted fund £ | Total funds £ |
|-----------------------------------|-------------------------------------|----------------------------------|------------------------------|
| Income and endowments from | | | |
| Donations and legacies | 210,344 | - | 210,344 |
| Charitable activities | | | |
| Charitable activities | <u>2,761,587</u> | <u>-</u> | <u>2,761,587</u> |
| Total | <u>2,971,931</u> | <u>-</u> | <u>2,971,931</u> |
| Expenditure on | | | |
| Charitable activities | | | |
| Charitable activities | 3,018,673 | - | 3,018,673 |

**MANCHESTER ISLAMIC EDUCATIONAL TRUST
LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Comparatives for the statement of financial activities - continued

| | Unrestricted funds £ | Restricted fund £ | Total funds £ |
|------------------------------------|----------------------------|-------------------------|---------------------|
| NET INCOME/(EXPENDITURE) | (46,742) | - | (46,742) |
| Reconciliation of funds | | | |
| Total funds brought forward | 3,282,300 | - | 3,282,300 |
| Total funds carried forward | <u>3,235,558</u> | <u>-</u> | <u>3,235,558</u> |

11. Tangible fixed assets

| | Freehold property £ | Short leasehold £ | Plant and machinery £ |
|-----------------------|---------------------------|-------------------------|-----------------------------|
| Cost | | | |
| At 1 September 2021 | 3,853,393 | 177,909 | 44,802 |
| Additions | 27,245 | - | 29,968 |
| At 31 August 2022 | <u>3,880,638</u> | <u>177,909</u> | <u>74,770</u> |
| Depreciation | | | |
| At 1 September 2021 | 846,648 | 177,909 | 6,720 |
| Depreciation | 77,613 | - | 10,207 |
| At 31 August 2022 | <u>924,261</u> | <u>177,909</u> | <u>16,927</u> |
| Net book value | | | |
| At 31 August 2022 | <u>2,956,377</u> | <u>-</u> | <u>57,843</u> |
| At 31 August 2021 | <u>3,006,745</u> | <u>-</u> | <u>38,082</u> |

**MANCHESTER ISLAMIC EDUCATIONAL TRUST
LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

11. Tangible fixed assets - continued

| | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|-----------------------|--|---------------------------------|---------------------|
| Cost | | | |
| At 1 September 2021 | 746,565 | 15,271 | 4,837,940 |
| Additions | 5,545 | - | 62,758 |
| At 31 August 2022 | 752,110 | 15,271 | 4,900,698 |
| Depreciation | | | |
| At 1 September 2021 | 607,919 | 14,513 | 1,653,709 |
| Depreciation | 21,629 | 190 | 109,639 |
| At 31 August 2022 | 629,548 | 14,703 | 1,763,348 |
| Net book value | | | |
| At 31 August 2022 | 122,562 | 568 | 3,137,350 |
| At 31 August 2021 | 138,646 | 758 | 3,184,231 |

Manchester Islamic Educational Trust owns three freehold properties and these are situated as follows:

- 55 High Lane, Chorlton, Manchester,
- Hartley Hall, Alexandra Road South, Manchester,
- The Grange, 551 Wilmslow Road, Withington, Manchester.

In the opinion of the Trustees, the cost of professionally valuing these assets to include a value in the accounts outweighs the benefits to the users of the accounts. They are insured for £30M which is an estimate of their reinstatement value.

12. Debtors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|--------------------------------|-------------------|-------------------|
| Trade debtors | 22,702 | 55,996 |
| Other debtors | 508,701 | 9,134 |
| Prepayments and accrued income | 4,042 | 3,556 |
| | 535,445 | 68,686 |

Other debtors include £500,000 as a capital commitment advance paid for acquiring a new building at Fielden Campus, Manchester.

**MANCHESTER ISLAMIC EDUCATIONAL TRUST
LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

13. Creditors: amounts falling due within one year

| | 2022 | 2021 |
|---------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 51,219 | 101,929 |
| Social security and other taxes | 25,414 | 19,380 |
| Pension control account | 7,794 | 6,860 |
| Other creditors | 153,254 | 132,799 |
| Refundable deposits | 295,200 | 331,976 |
| Accruals and deferred income | 29,725 | 11,349 |
| | <u>562,606</u> | <u>604,293</u> |

14. Movement in funds

| | At 1.9.21 | Net movement in funds | At 31.8.22 |
|---------------------------|------------------|------------------------------|-------------------|
| | £ | £ | £ |
| Unrestricted funds | | | |
| Unrestricted donations | 3,235,558 | 163,122 | 3,398,680 |
| TOTAL FUNDS | <u>3,235,558</u> | <u>163,122</u> | <u>3,398,680</u> |

Net movement in funds, included in the above are as follows:

| | Incoming resources | Resources expended | Movement in funds |
|---------------------------|---------------------------|---------------------------|--------------------------|
| | £ | £ | £ |
| Unrestricted funds | | | |
| Unrestricted donations | 3,395,463 | (3,232,341) | 163,122 |
| TOTAL FUNDS | <u>3,395,463</u> | <u>(3,232,341)</u> | <u>163,122</u> |

Comparatives for movement in funds

| | At 1.9.20 | Net movement in funds | At 31.8.21 |
|---------------------------|------------------|------------------------------|-------------------|
| | £ | £ | £ |
| Unrestricted funds | | | |
| Unrestricted donations | 3,282,300 | (46,742) | 3,235,558 |
| TOTAL FUNDS | <u>3,282,300</u> | <u>(46,742)</u> | <u>3,235,558</u> |

**MANCHESTER ISLAMIC EDUCATIONAL TRUST
LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

14. Movement in funds - continued

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| Unrestricted donations | 2,971,931 | (3,018,673) | (46,742) |
| TOTAL FUNDS | <u>2,971,931</u> | <u>(3,018,673)</u> | <u>(46,742)</u> |

15. Employee benefit obligations

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £40,468 (2021: £36,869).

16. Capital commitments

As at 31 August 2022, Manchester Islamic Educational Trust Ltd had contracted to purchase a new building amounting to £12,750,000.

17. Related party disclosures

During the year charity paid £7,955 (2021:£8,140) towards accountancy services to Zaheer and Co, Chartered Certified Accountants, in which Farroukh Zaheer, who is a trustee of Manchester Islamic Educational Trust Ltd, is a partner.

During the year, one of the trustee Mr F Zaheer has advanced £30,000 (2021: £NIL) to the charity as a loan. The loan is interest free and repayable on demand.