

REGISTERED COMPANY NUMBER: 04871449 (England and Wales)
REGISTERED CHARITY NUMBER: 1102801
REGISTERED CHARITY NUMBER: SC045860 (Scotland)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020
FOR
MINHAJ-UL-QURAN INTERNATIONAL**

Hadleys & Co.
Ground Floor
Import Building
2 Clove Crescent
London
E14 2BE

MINHAJ-UL-QURAN INTERNATIONAL

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FOR THE YEAR ENDED 31 AUGUST 2020**

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MINHAJ-UL-QURAN INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

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 2020. 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).

OBJECTIVES AND ACTIVITIES

Charity's status and objectives

The organisation is a registered charity and was established by a trust deed made on 8th August 2003. The charity is governed under the Trust Deed and is controlled by the trustees.

The objectives of the charity as outlined in the Memorandum of Association include the following:

1. The relief of poverty, sickness, distress and suffering of any persons who are in need irrespective of their nationality, race, ethnic origin and religious beliefs
2. The advancement of other charitable purposes for the public benefit, to provide recreational facilities and activities in the interests of social welfare with the object of improving conditions of life for people in need.
3. The advancement of faith and religious practises of Islam
4. The advancement of religious and general education for the benefit of the public

Principal activities and Review

The principal activity of the charity during the period was the advancement and teaching of the Muslim religion in the United Kingdom with particular emphasis on promoting facilities for the young and the elderly.

The charity has also begun to offer funeral services for their members.

Public benefit

As a charity, Minhaj-ul-Quran International shall be able to demonstrate that its objectives and activities are for the public benefit as required by the Charities Act 2011. The trustees have reviewed the guidance issued by the Charity Commission on public benefit and have ensured that the objectives and activities comply with this statutory requirement. The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission in datelining the activities undertaken by the charity.

This report explains our main activities and achievements in carrying out our aims.

Social investments

Qur'an classes for the young continued throughout the year. Additional recitals were held as part of the 'Irfan-ul-Quran' programme.

Interfaith Dialogues

Continued emphasis was laid on Interfaith Dialogues within the local community. True & peaceful picture of Islam was presented to the community via these dialogues. Other communities were also invited to the mosque to get more knowledge about Islam, this has helped a lot to bridge the gap within the faiths of the local community.

MINHAJ-UL-QURAN INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTIVES AND ACTIVITIES

Education project

Online E learning:

The charity has continued providing Online Islamic & language Classes. The Online Teaching facility is established at the head office in Pakistan from where qualified learned teachers provide one to one teaching to the students from all over the world. This project has helped Minhaj-Ul-Quran International to educate the community from different parts of the world, from all backgrounds and of any age. We aim to expand and put more resources into this project for more people to benefit. <http://www.equranclass.com>

Muslim Festivals

Eid Festival:

The usual two Eid festivals were celebrated during the year and lectures were held to inform and educate the young. Various other educational and social events were also organised together with the celebration of the birthday of the Prophet Muhammad (peace be upon him).

Rabi Ul Awal:

MQI celebrates the holy month of Rabi ul Awal with its best spirit and joy. From the 1st day to the 11th day special evening programs were organised for the community to participate and get the knowledge about the life of the Holy Prophet Muhammad (May Peace be Upon Him). On the 12th a large conference is organised for the Muslim community which are welcome from all over the country to celebrate the Birthday of the Holy Prophet Muhammad (May Peace be Upon Him).

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The charity continued its charitable activities throughout the year with a focus on education to the local youngsters.

Internal and external factors

Pandemic:

Since 23 March 2020, the spread of COVID-19 outbreak has severely impacted many economies around the country. Businesses and religious centres were being forced to cease or limit operations for long periods of time. Measures taken to contain the virus, included travel bans, quarantines, social distancing, and closures of non-essential services which triggered significant disruptions to organizations around the country, resulting in an economic slowdown.

In the reporting period, the charity has been significantly affected by the pandemic as a result of having to close all of its mosques and centres during the national the lockdown.

FINANCIAL REVIEW

Principal funding sources

General donations.

Reserves policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which equate to approximately three to five months unrestricted expenditure. This provides sufficient funds to cover management and administrative and other related costs. Unrestricted funds were maintained at approximately this level throughout the period.

Financial Review

A summary of the results of the charity is given on pages 7 to 14 of the accounts. The trustees consider the progress during the year and the state of affairs to be satisfactory.

MINHAJ-UL-QURAN INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

FUTURE PLANS

The charity will continue its operations as usual in the future. All efforts will be made to consolidate the infrastructure of the charity through its branches in UK.

One of the largest project of Minhaj-ul-Quran International "Madinat al-Zahra" is in the initial stages of development with the aim of developing "A Centre of Excellence" comprising of multi-purpose communal provisions, as an educational complex for generations to come. An iconic contemporary Mosque is part of this project which will meet the needs of the local community as well as be a centre to integrate with other religions and build an atmosphere of harmony and brotherhood within the community. Educational and community services will be specially highlighted and it will also have residential accommodation and a commercial zone for the local community to benefit. The project will be encompassing a place of sanctuary for all our communities catering for the educational, welfare, spiritual and human needs of our community. Special care has been taken in the design concept to galvanise within our vision of Britain's Muslim communities as progressive and creative members of society meeting the modern demands of the time. "Madinat Al Zahrah" a project of Minhaj ul Quran International where we also aim to be a dynamic hub linking together all parts of the community as per our aims and objectives which have been renowned, applauded and celebrated locally, nationally and internationally. The project development shall take between 7-9 years to complete with the first phase already on ground with services already being rendered to the public.

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.

Organisational structure

Organisation is a limited company by guarantee.

Induction and training of new trustees

Appropriate training has been provided to the trustee appointed during the year.

Wider network

The charity currently has seven centres, London, Manchester, Nelson, Bradford, Walsall, Birmingham and Glasgow with wider organisational setups in other cities / towns also.

Related parties

The charity has a very close relationship with its sister charity Minhaj-ul-Quran Welfare Foundation (MWF) , Registered Charity No. 1084057. Two of the charity's trustee is also a trustee of MWF although both charities are completely independent in their activities, management and financial matters.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04871449 (England and Wales)

Registered Charity number

1102801

SC045860 (Scotland)

Registered office

292-296 Romford Road
Forest Gate
London
E7 9HD

MINHAJ-UL-QURAN INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

Trustees

D Hussain Company Director (resigned 17.5.20)
M Ali Company Director
S Mursaleen Company Director
O Ghani Company Director
S A Khan Company Director (appointed 17.5.20)

Company Secretary

S A Khan

Auditors

Hadleys & Co.
Ground Floor
Import Building
2 Clove Crescent
London
E14 2BE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Minhaj-ul-quran International for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping 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 2006. They are 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company'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, Hadleys & Co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

MINHAJ-UL-QURAN INTERNATIONAL

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 16 August 2021 and signed on its behalf by:

Seerat Ali

S A Khan - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF MINHAJ-UL-QURAN INTERNATIONAL

Opinion

We have audited the financial statements of Minhaj-ul-quran International (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 2020 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 the provisions available for small entities, in the circumstances set out in note 20 to the financial statements, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF MINHAJ-UL-QURAN INTERNATIONAL

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

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note 20 to the financial statements.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulations made under Section 154 of that Act and Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



for and on behalf of Hadleys & Co.

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Ground Floor

Import Building

2 Clove Crescent

London

E14 2BE

16 August 2021

MINHAJ-UL-QURAN INTERNATIONAL

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	982,759	-	982,759	1,119,177
Other trading activities	3	433,806	32,822	466,628	554,600
Investment income	4	256,819	-	256,819	181,066
Total		1,673,384	32,822	1,706,206	1,854,843
EXPENDITURE ON					
Charitable activities	5				
Salaries		249,203	-	249,203	210,851
Social security costs		7,822	-	7,822	9,370
Rates and water		37,258	-	37,258	37,356
Insurance		11,361	-	11,361	9,003
Light and heat		57,935	-	57,935	49,580
Telephone and fax		5,880	-	5,880	5,918
Printing postage and stationery		9,943	-	9,943	13,051
Advertising		5,511	-	5,511	22,203
Bookshop purchases		121,676	-	121,676	154,552
Travel and subsistence		13,215	-	13,215	20,469
Community events		62,536	-	62,536	156,012
Cleaning		15,729	-	15,729	23,327
Repairs and maintenance		24,845	-	24,845	80,128
E Learning		235,820	-	235,820	232,211
Rent payment		8,755	-	8,755	10,282
Sundries		7,008	-	7,008	14,227
Education		89,723	-	89,723	103,881
Office admin		130,818	-	130,818	83,092
Funeral service expenses		-	15,294	15,294	16,945
Web costs		7,829	-	7,829	4,904
Other		131,997	-	131,997	136,836
Total		1,234,864	15,294	1,250,158	1,394,198
NET INCOME		438,520	17,528	456,048	460,645
RECONCILIATION OF FUNDS					
Total funds brought forward		4,097,332	376,683	4,474,015	4,013,370

The notes form part of these financial statements

MINHAJ-UL-QURAN INTERNATIONAL

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
TOTAL FUNDS CARRIED FORWARD		<u>4,535,852</u>	<u>394,211</u>	<u>4,930,063</u>	<u>4,474,015</u>

The notes form part of these financial statements

MINHAJ-UL-QURAN INTERNATIONAL

BALANCE SHEET 31 AUGUST 2020

	Notes	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	10	3,209,775	79,755	3,289,530	3,212,160
Investment property	11	<u>943,526</u>	<u>-</u>	<u>943,526</u>	<u>877,019</u>
		4,153,301	79,755	4,233,056	4,089,179
CURRENT ASSETS					
Stocks	12	91,757	-	91,757	161,304
Debtors	13	19,942	-	19,942	15,011
Cash at bank and in hand		<u>1,382,176</u>	<u>314,456</u>	<u>1,696,632</u>	<u>1,386,886</u>
		1,493,875	314,456	1,808,331	1,563,201
CREDITORS					
Amounts falling due within one year	14	<u>(303,799)</u>	<u>-</u>	<u>(303,799)</u>	<u>(216,559)</u>
NET CURRENT ASSETS		<u>1,190,076</u>	<u>314,456</u>	<u>1,504,532</u>	<u>1,346,642</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,343,377	394,211	5,737,588	5,435,821
CREDITORS					
Amounts falling due after more than one year	15	<u>(807,525)</u>	<u>-</u>	<u>(807,525)</u>	<u>(961,806)</u>
NET ASSETS		<u>4,535,852</u>	<u>394,211</u>	<u>4,930,063</u>	<u>4,474,015</u>
FUNDS	18				
Unrestricted funds				4,535,852	4,097,332
Restricted funds				<u>394,211</u>	<u>376,683</u>
TOTAL FUNDS				<u>4,930,063</u>	<u>4,474,015</u>

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

MINHAJ-UL-QURAN INTERNATIONAL

**BALANCE SHEET - continued
31 AUGUST 2020**

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 16 August 2021 and were signed on its behalf by:

Seerat Ali

S A Khan - Trustee

The notes form part of these financial statements

MINHAJ-UL-QURAN INTERNATIONAL

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	724,022	466,812
Interest paid		<u>(25,103)</u>	<u>(26,090)</u>
Net cash provided by operating activities		<u>698,919</u>	<u>440,722</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(159,555)	(215,157)
Purchase of investment property		(66,507)	-
Interest received		<u>582</u>	<u>306</u>
Net cash used in investing activities		<u>(225,480)</u>	<u>(214,851)</u>
Cash flows from financing activities			
Loan repayments in year		<u>(163,693)</u>	<u>(25,497)</u>
Net cash used in financing activities		<u>(163,693)</u>	<u>(25,497)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		309,746	200,374
Cash and cash equivalents at the beginning of the reporting period		<u>1,386,886</u>	<u>1,186,512</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,696,632</u></u>	<u><u>1,386,886</u></u>

The notes form part of these financial statements

MINHAJ-UL-QURAN INTERNATIONAL

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for the reporting period (as per the Statement of Financial Activities)	456,048	460,645
Adjustments for:		
Depreciation charges	82,186	79,243
Interest received	(582)	(306)
Interest paid	25,103	26,090
Decrease/(increase) in stocks	69,547	(57,217)
Increase in debtors	(4,931)	(2,764)
Increase/(decrease) in creditors	<u>96,651</u>	<u>(38,879)</u>
Net cash provided by operations	<u><u>724,022</u></u>	<u><u>466,812</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.19 £	Cash flow £	At 31.8.20 £
Net cash			
Cash at bank and in hand	<u>1,386,886</u>	<u>309,746</u>	<u>1,696,632</u>
	<u>1,386,886</u>	<u>309,746</u>	<u>1,696,632</u>
Debt			
Debts falling due within 1 year	(25,131)	9,229	(15,902)
Debts falling due after 1 year	<u>(961,806)</u>	<u>154,281</u>	<u>(807,525)</u>
	<u>(986,937)</u>	<u>163,510</u>	<u>(823,427)</u>
Total	<u><u>399,949</u></u>	<u><u>473,256</u></u>	<u><u>873,205</u></u>

The notes form part of these financial statements

MINHAJ-UL-QURAN INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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.

The financial statements are prepared under the historical cost convention and include the results of the charity's operations which are described in the trustees report and all of which are continuing.

The financial statements have been prepared in accordance with the Charities Act 2011 and requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities".

The charity has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cashflow statement on the grounds that it qualifies as a small charity.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

MINHAJ-UL-QURAN INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2020

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	821,536	1,084,749
Gift aid	65,408	34,428
Grants	95,815	-
	<u>982,759</u>	<u>1,119,177</u>

3. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Bookshop income	68,375	73,208
Funeral services	32,822	41,985
Other income	956	17,449
E-Learning and education	<u>364,475</u>	<u>421,958</u>
	<u>466,628</u>	<u>554,600</u>

4. INVESTMENT INCOME

	2020	2019
	£	£
Rents received	256,237	180,760
Gift aid interest	<u>582</u>	<u>306</u>
	<u>256,819</u>	<u>181,066</u>

MINHAJ-UL-QURAN INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2020

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £
Salaries	249,203
Social security costs	7,822
Rates and water	37,258
Insurance	11,361
Light and heat	57,935
Telephone and fax	5,880
Printing postage and stationery	9,943
Advertising	5,511
Bookshop purchases	121,676
Travel and subsistence	13,215
Community events	62,536
Cleaning	15,729
Repairs and maintenance	24,845
E Learning	235,820
Rent payment	8,755
Sundries	7,008
Education	89,723
Office admin	130,818
Funeral service expenses	15,294
Web costs	<u>7,829</u>
	<u><u>1,118,161</u></u>

6. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Other resources expended	<u>82,186</u>	<u>24,708</u>	<u>106,894</u>

MINHAJ-UL-QURAN INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2020

7. NET INCOME/(EXPENDITURE)

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

	2020	2019
	£	£
Auditors' remuneration	3,900	3,900
Auditors' remuneration for non audit work	1,900	1,900
Depreciation - owned assets	<u>82,185</u>	<u>79,243</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2020 nor for the year ended 31 August 2019.

9. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	375,660	356,824
Social security costs	5,248	6,654
Pension	<u>2,574</u>	<u>3,100</u>
	366,878	337,437

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

	2020	2019
Administration	7	7
Teaching and fundraising	<u>29</u>	<u>27</u>
Total	36	34

£126,420 is related directly to education classes which is reflected within the relevant category of education.
No employees received emoluments in excess of £60,000 during the year.

MINHAJ-UL-QURAN INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2020

10. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2019	3,734,661	151,516	135,491	4,021,668
Additions	<u>141,450</u>	<u>3,195</u>	<u>14,910</u>	<u>159,555</u>
At 31 August 2020	<u>3,876,111</u>	<u>154,711</u>	<u>150,401</u>	<u>4,181,223</u>
DEPRECIATION				
At 1 September 2019	599,414	122,528	87,566	809,508
Charge for year	<u>67,933</u>	<u>4,827</u>	<u>9,425</u>	<u>82,185</u>
At 31 August 2020	<u>667,347</u>	<u>127,355</u>	<u>96,991</u>	<u>891,693</u>
NET BOOK VALUE				
At 31 August 2020	<u>3,208,764</u>	<u>27,356</u>	<u>53,410</u>	<u>3,289,530</u>
At 31 August 2019	<u>3,135,247</u>	<u>28,988</u>	<u>47,925</u>	<u>3,212,160</u>

11. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 September 2019	877,019
Additions	<u>66,507</u>
At 31 August 2020	<u>943,526</u>
NET BOOK VALUE	
At 31 August 2020	<u>943,526</u>
At 31 August 2019	<u>877,019</u>

Properties have been reclassified from land and buildings to investment properties during the year.

MINHAJ-UL-QURAN INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2020

12. STOCKS		
	2020	2019
	£	£
Finished goods	<u>91,757</u>	<u>161,304</u>
13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2020	2019
	£	£
Other debtors	5,200	5,200
Prepayments and accrued income	11,137	2,997
Prepayments	<u>3,605</u>	<u>6,814</u>
	<u>19,942</u>	<u>15,011</u>
14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2020	2019
	£	£
Bank loans and overdrafts (see note 16)	15,902	25,131
Social security and other taxes	1,027	2,297
Other creditors	249,539	155,477
Wages	25,200	27,331
Pensions	531	523
Accrued expenses	<u>11,600</u>	<u>5,800</u>
	<u>303,799</u>	<u>216,559</u>
15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2020	2019
	£	£
Bank loans (see note 16)	<u>807,525</u>	<u>961,806</u>
16. LOANS		
An analysis of the maturity of loans is given below:		
	2020	2019
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>15,902</u>	<u>25,131</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	807,525	961,806

MINHAJ-UL-QURAN INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 AUGUST 2020**

17. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	<u>823,427</u>	<u>986,937</u>

The Royal Bank of Scotland has a legal mortgage on company 's property situated at 122 Withington Road, Manchester M16 8FB. Barclays Bank Plc also has first legalcharge on the company's properties situated at 187 Manningham Lane, Bradford, BD8 7HP and 547 Longbridge Road, Barking, IG11 9DA. The banks also have a legal charge on the properties' related income, fixtures, goodwill, proceeds of insurance and other rights.

18. MOVEMENT IN FUNDS

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	4,097,332	438,520	4,535,852
Restricted funds			
Restricted fund	376,683	17,528	394,211
TOTAL FUNDS	<u>4,474,015</u>	<u>456,048</u>	<u>4,930,063</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,673,384	(1,234,864)	438,520
Restricted funds			
Restricted fund	32,822	(15,294)	17,528
TOTAL FUNDS	<u>1,706,206</u>	<u>(1,250,158)</u>	<u>456,048</u>

MINHAJ-UL-QURAN INTERNATIONAL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
General fund	3,661,727	435,605	4,097,332
Restricted funds			
Restricted fund	351,643	25,040	376,683
TOTAL FUNDS	<u>4,013,370</u>	<u>460,645</u>	<u>4,474,015</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,812,858	(1,377,253)	435,605
Restricted funds			
Restricted fund	41,985	(16,945)	25,040
TOTAL FUNDS	<u>1,854,843</u>	<u>(1,394,198)</u>	<u>460,645</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.18 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	3,661,727	874,125	4,535,852
Restricted funds			
Restricted fund	351,643	42,568	394,211
TOTAL FUNDS	<u>4,013,370</u>	<u>916,693</u>	<u>4,930,063</u>

MINHAJ-UL-QURAN INTERNATIONAL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,486,242	(2,612,117)	874,125
Restricted funds			
Restricted fund	74,807	(32,239)	42,568
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>3,561,049</u>	<u>(2,644,356)</u>	<u>916,693</u>

19. RELATED PARTY DISCLOSURES

The trustee, Mr D Hussain owns a property management company which manages one of the charities investment properties, During the year whilst the trustee was in appointment, the charity paid the company £2,916 as management fees. Mr D Hussain resigned on 17 May 2020.

The trustee, Mr S A Khan (appointed 17 May 2020) is a director of an insurance broker, from the date of the his appointment, the transaction between the two companies totalled £3,175.

20. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.