EURO QUALITY FOUNDATION

England & Wales · Charity number 1119242

Details

Other names	EURO QUALITY CHARITABLE TRUST
Status	Registered
Legal form	Trust
Registered	2007-05-16
Register	View on the Charity Commission register

Contact

Address	Euro House Dale Street Craven Arms Shropshire SY7 9PA
Phone	01588676318
Email	hello@euroqualityfoundation.org
Website	www.euroqualityfoundation.org

Activities

Objects: 1) TO APPLY THE INCOME, AND ALL OR SUCH PARTS OF THE CAPITAL, AS THE TRUSTEES THINK FIT (WHETHER THROUGH DONATIONS TO OTHER CHARITIES OR BY ANY OTHER CHARITABLE MEANS) FOR OR TOWARDS SUCH CHARITABLE PURPOSES AS THE TRUSTEES THINK FIT.2) THE TRUSTEES MUST USE THE INCOME AND MY USE THE CAPITAL OF THE CHARITY IN PROMOTING THE OBJECTS.

Activities: The charity primarily supports high-impact charities whilst undertaking some charitable activity itself. The following sectors take precedence - Global Emergency Situations, Poverty Relief, Sustainable Living, Social Projects, Medical Requirements & Education. The charity aims to become a knowledge hub and develop best practice guidelines for donors and recipients.

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Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Religious Activities, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED IN PRACTICE NATIONAL AND OVERSEAS
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£452,577	£318,939	-	-
2024-06-30	£109,309	£639,029	-	-
2023-06-30	£781,640	£544,237	£1,815,965	0
2022-06-30	£717,823	£627,585	£1,578,562	0
2021-06-30	£516,919	£551,521	£1,488,323	0

Trustees

Name	Role	Appointed
MR MN MANSHA		2007-02-19
RIZVAN MOHAMMAD KHALID		2007-02-19
Tasnim Khalid		2024-12-31

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EURO QUALITY FOUNDATION

England & Wales - Charity number 1119242

Accounts

Euro Quality Foundation

Financial Statements

for the financial year ended 30 June 2025

Registered number: 1119242

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Reference and Administrative Information

Trustees	T Khalid R M Khalid M N Mansha
Registered Office	Euro House Dale Street Craven Arms Shropshire SY7 9PA
Solicitors	Private Client Solicitors Centurion House 129 Deansgate Manchester M3 3WR
Bankers	Al Rayan Bank PLC 394 Coventry Road Small Heath Coventry Road Birmingham B10 OUF
Independent Auditors	Grant Thornton 13-18 City Quay Dublin 2 Ireland D02 ED70

Trustees' Report

for the financial year ended 30 June 2025

The Trustees submit their Annual Report and audited financial statements of the Foundation for the year ended 30 June 2025.

This report sets out the Foundation's aims, objectives and policies as had been developed by the Trustees during the initial years of operation and should be seen as ever evolving. The overall remit of the Trustees is to engage in activities that benefit humanity.

Reference and administrative information

Euro Quality Foundation is registered as a charity by HMRC, Foundation number XT5290. The Trustees and Secretary of the charity are listed on page 1. The principal and registered office of the charity is also listed on page 1 together with details of the professional advisers and bankers. The charity is registered with the Charities Commission of England & Wales under reference number 1119242.

Structure, governance and management

Constitution

The Foundation is governed by a Trust Deed duly executed on 19 February 2007 (as amended on 26 June 2017). These lay out the principles by which the Trustees can govern the Trust.

Registration

The Foundation is registered with the Charities Commission (registration number 1119242) and with HMRC (XT5290).

Ultimate Aim

The ultimate aim is to efficiently distribute wealth in order to eliminate poverty and social injustice and promote educational learning and tolerance worldwide.

The Foundation aims to make a difference by contributing funding and guidance to such good causes that otherwise lack funding to perform its objective effectively. This meets the charitable object of applying income for or towards any charitable purposes, the trustees think fit.

It does this in a number of ways

- Engaging with like-minded philanthropists to assess and address societal issues such as poverty, economic empowerment, social injustice, lack of access to education and lack of tolerance between communities;

Trustees' Report

for the financial year ended 30 June 2025

Ultimate Aim (continued)

- Funding and engaging directly with charities that address such societal issues; and
- Funding and engaging with organisations that advance religious practice, tolerance, understanding and learning.

Funding can be in the form of direct donations or interest-free loans. The effectiveness of funding is discussed and assessed at annual trustee meetings.

Mission Statement

"To provide a mechanism by which charitable donations can be efficiently amassed and effectively distributed in accordance with Islamic principles".

Background

Euro Quality Foundation has been established as a Philantropy Fund. Similar to the way in which an Investment Fund operates by pooling funds to maximise returns for its stakeholders, a Philantropy Fund pools donations from various sources to maximise the efficiency and effectiveness of their donations.

Zakah

Zakah is an obligatory charity on Muslims who possess Net Wealth. Net Wealth can loosely be defined as the value of non-essential assets over and beyond the payer's immediate and necessary liabilities. Zakah is then calculated as an (Islamic) annual rate of 2.5% of this amount. Euro Quality Foundation provides a mechanism by which individuals and businesses can learn about and fulfil their Zakah obligations.

Operating Policy

The Foundation will conduct itself and its activities in an ethical and transparent manner. Policies may be changed or adapted to further the Foundations objectives.

Donation & Grant making policy

The Foundation works with registered charities. Each application is considered on its own merits. It expects full accountability, transparency and progress reports from recipients for any donations made with ongoing reviews to monitor performance and results against expectations. The following sectors take precedence:

- Global Emergency Situations,
- Poverty Relief;
- Sustainable Living;
- Social Projects;

Trustees' Report
for the financial year ended 30 June 2025

Donation & Grant making policy (continued)

- Medical Needs; and
- Education

Since inception, the Foundation has made a number of donations to UK registered charities selected on their ability to provide poverty relief, combat social injustice and promote education and tolerance. Working with a smaller pool of charities has enabled the Trustees to start building relationships and increase the effectiveness of the donations.

Reserves policy

The Foundation has unrestricted funds, which are not committed or invested in tangible fixed assets or designated for specific purposes ("the free reserves"), and are retained to meet the future requirements of the Foundation. The Foundation has emergency reserves of £10,000 (2024: £10,000) in the event of the Foundation being wound up. The Foundation's policy is to retain a level of unrestricted reserves, which meets the needs of the Foundation both at the current time and in the foreseeable future. The Trustees are of the opinion that this amount remains, to be distributed for unexpected costs. This will not be static, will be held on a discretionary basis and is reviewed annually by the trustees.

Investment policy

The Foundation only invests in ethical investments. The trustees continually monitor investments and returns for ethical compliance criteria. The trustees will initiate new forms of ethical investments if they believe it enhances the returns for the Foundation whilst balancing financial commitments, constraints, reserves and liquidity requirements. In particular, the Foundation will only invest in riba-free (non-usury) and shariah-compliant investments.

Organisation

The Trustees meet on a regular basis to discuss potential donations to and from the Foundation alongside any other issues, with a formal meeting occurring annually. The Trustees use personal contacts to obtain external advice on a needs basis and to keep administration costs down. The Trustees do not charge for their time or their expenses.

Risk management

Major risks, which have been identified and discussed by the trustees include loss of funding due to poor profitability of the sponsoring corporate companies and loss of reputation, perhaps due to adverse publicity, leading to a fall in public confidence in the Foundation and a consequent reduction in other income. Further risks include the ability to ensure sufficient funding going forward in light of decline in public spending. There are also risks associated with maintaining the highest security of our information to prevent loss of data.

Risks related to operations in foreign countries are mitigated by using only UK or EU registered charities operating in those jurisdictions but subject to UK and EU charitable and funding laws.

Trustees' Report
for the financial year ended 30 June 2025

Risk management (continued)

Other risks relate to engaging with UK registered charities under investigation by charities commission or demonstrating poor governance by late filing of documents. Prior to any funding being forwarded the charities commission website will be reviewed to confirm any ongoing investigation and/or late filing of documents. The charity will then be asked about these and unless satisfactory responses are received, funding will be withheld until the investigation is completed or documents are filed.

The trustees review the risks to which the charities are exposed on a regular basis and a risk management strategy is in place where by those risks are identified, the levels of risk is assessed and systems and controls for those risks are established. The trustees take all appropriate steps to moderate and manage the operational risks to which the assets of Euro Quality Foundation are exposed.

Having considered all identified risks the Trustees do not consider there to be a risk to the going concern status of the organisation.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the Foundation. Any connection between a trustee of the Foundation with any related organisation from which the Foundation avails of services or donations must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Euro Quality Lambs Limited, Corvedale Fresh Limited, Grove Park Limited, and Newington Limited are considered related parties, due to at least one of the directors in each entity being a trustee of the Foundation. Related party transactions have been disclosed in note 18.

Taxation status

The Foundation is a registered Foundation, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Foundation's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Foundation is not registered for VAT and accordingly, all their expenditure is recorded inclusive of any VAT incurred.

Trustees

The Trustees are Ms Tasnim Khalid, Mr Rizvan M Khalid and Mr M Nadeem Mansha.

Appointment of new trustees

New trustees are recruited by open recruitment by existing trustees to fulfil specific roles on the trustees' board. The potential trustee is then interviewed by the chairperson and secretary of the board regarding their willingness to become a trustee and their potential contribution to the Foundation is considered.

Trustees' Report

for the financial year ended 30 June 2025

Induction and training of trustees

The new trustee's induction and training are similar to those set out for any employees of the Foundation. They are given an overview of the aims, objectives and achievements, introduced to the Trustees, are provided with a copy of the Trust deed (which explains trustees' powers and responsibilities) and details of the recent financial performance of the Foundation. All new trustees meet with other existing trustees.

Funds held as custodian trustees on behalf of others

The Foundation holds no funds as custodian trustees on behalf of others.

Objectives and activities

The Trust's objectives are listed below. The Trust's primary activity is to liaise with and support the best performing charities in selected sectors but it will also undertake charitable activities directly if a need is established. The Foundation aims to become a knowledge hub and develop best practice guidelines for donors and recipients.

The objectives of the Foundation are as follows:

- To connect like-minded philanthropists;
- To provide guidelines & promote good-practice in Zakah calculation, collection & distribution;
- To assess and select recipient charities on the basis of sector involvement, urgency (need), professionalism and benefit to humanity;
- To build relationships with recipient charities;
- To assess and review performances of recipient charities in relation to donations made; and
- To offer recipient charities beneficial advice e.g. identification and exploitation of synergies.

Public Benefit Statement

"Public Benefit" is the legal requirement for every organisation set up with charitable aims to be able to demonstrate that the charity has been set up to meet this requirement. The Trustees confirm that they have had regard to the Foundation Commission for England and Wales' guidance on public benefit on reporting on the Charities benefits and achievements. The Trustees are confident that the activities have helped to achieve the Foundation's purposes and provide a benefit to the beneficiaries.

Trustees' Report

for the financial year ended 30 June 2025

Operating Review 2025

Achievements and performance

The Foundation has been operating since 2007. The trustees have continued to grant Qard Hasans as a means of funding capital-poor beneficiaries for the cost of income-generating programmes, which would then repay the Qard Hasans in time. Qard Hasan repayments are then recycled to help other charities & organisations to develop income-generating programmes in a similar manner.

Financial review

The Foundation received £356,631 (2024: £18,142) in donations from related parties and other donations. There is also £95,946 (2024: £91,167) receipts from investment and other income.

The Foundation paid out £318,939 (2024: £639,029) in direct donations and other expenses.

There is £416,850 (2024: £41,245) in cash at bank at the year end.

The net asset position as at 30 June 2025 is £1,419,883 (2024: £1,286,245).

Direct donations of £318,939 (2024: £639,029) are comprised of the following:

- £83,289 (2024: £262,421) for Social Welfare causes such as Private Ambulances, Orphans, Women Homes & Community Groups; and
- £171,834 (2024: £265,583) for Education
- £62,776 (2024: £105,300) for Emergency & Healthcare
- £1,040 (2024: £5,725) for other support costs

The Trustees consider that during the year good progress has been made against the Foundation's aims. The profitability of sponsoring corporates has enabled income to be maintained.

Plans for 2026

The Trustees' one-year plan is to strengthen its ties with existing charities and to engage with other philanthropist charities and foundations. It anticipates making a similar level of donations and grants next year.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 Foundation and of the incoming resources and application of resources of the Foundation for that period.

Trustees' Report

for the financial year ended 30 June 2025

Statement of trustees' responsibilities (continued)

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far the trustees are aware at the timing of approving our trustees' annual report:

- there is no relevant audit information of which the Foundation's auditor is 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 Foundation's auditor is aware of that information.

Independent auditors

Grant Thornton will be proposed for reappointment as auditors at the Trustees' meeting.

By order of the Board

R M Khalid
Trustee

Date: 17/12/2025

M N Mansha
Trustee

Date: 17/12/2025

Independent Auditor's Report to the Trustees of Euro Quality Foundation

Opinion

We have audited the financial statements of Euro Quality Foundation ("the Foundation"), which comprise the Statement of Financial Activities, the Balance Sheet and Statement of Cash Flows for the financial year ended 30 June 2025, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Euro Quality Foundation's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the foundation's affairs as at 30 June 2025 and of its incoming resources and application of resources and cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

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 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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 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 Foundation's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report to the Trustees of Euro Quality Foundation

Conclusions relating to going concern (continued)

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

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon including the Trustee' Report. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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 in the financial statements, 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- The information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the Trustees of Euro Quality Foundation (continued)

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the trustees' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, and for such internal control as trustees determine 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, management is responsible for assessing the Foundation'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 management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

We have been appointed as auditors under section 145 of the Charites Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

The objectives of an auditor 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 an auditor's report that includes their 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 an auditor's 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 auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Independent Auditor's Report to the Trustees of Euro Quality Foundation (continued)

Responsibilities of the auditor for the audit of the financial statements (continued)

Based on our understanding of the Foundation, we identified that the principal risks of non-compliance with laws and regulations related to data protection and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charity Act 2011 and local tax legislation. The audit engagement partner considered the experience and expertise of the engagement team to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment significant transactions, or incomplete/inaccurate disclosures in the financial statements.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- review of minutes of trustees' meetings during the year to corroborate inquiries made;
- gaining an understanding of the entity's current activities, the scope of authorisation and the effectiveness of its control environment to mitigate risks related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including impairment of loan advances and;
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

Independent Auditor's Report to the Trustees of Euro Quality Foundation (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008.

Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's 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 trustees of Euro Quality Foundation as a body, for our audit work, for this report, or for the opinions we have formed.



Jason Crawford (Senior Statutory Auditor)
For and on behalf of
Grant Thornton
Chartered Accountants & Statutory Auditors
Dublin

Date: 17/12/2025

Statement of financial activities

for the financial year ended 30 June 2025

	NOTES	2025 Unrestricted £	2024 Unrestricted £
INCOMING RESOURCES			
Incoming resources from generated funds			
Donations	5	**356,631**	18,142
Activities for generating funds			
Investment income	5, 6	**90,037**	88,110
Other income	5	**5,909**	3,057
Total incoming resources		**452,577**	109,309
RESOURCES EXPENDED			
Expenditure on charitable activities	8	**(318,939)**	(639,029)
Total resources expended		**(318,939)**	(639,029)
Net incoming/ (outgoing) resources		**133,638**	(529,720)
FUND BALANCES			
Fund balances brought forward at 1 July 2024		**1,286,245**	1,815,965
Fund balances carried forward at 30 June 2025	16	**1,419,883**	1,286,245

All amounts relate to continuing operations.

The notes on pages 17 to 23 form part of these financial statements.

Balance Sheet

As at 30 June 2025

	NOTES	2025 £	2024 £
FIXED ASSETS			
Investments	10	**772,033**	979,000
		772,033	979,000
CURRENT ASSETS			
Debtors	11	**260,000**	275,000
Cash at bank	12	**416,850**	41,245
		676,850	316,245
Creditor: amounts falling due within one year	13	**(29,000)**	(9,000)
Net current assets		**647,850**	307,245
Net assets		**1,419,883**	1,286,245
The funds of the Foundation			
Unrestricted income funds	15	**1,419,883**	1,286,245

The financial statements were approved by the Trustees and authorised for issue by the board on 17/12/2025

Signed on behalf of the board:

Rizwan Khalid

R M Khalid
Trustee

M N Mansha
Trustee

The notes on pages 17 to 23 form part of these financial statements.

Statement of Cash Flows

As at 30 June 2025

	2025	2024
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Net incoming/(outgoing) resources	**133,638**	(529,720)
Decrease in debtors	**15,000**	5,000
Increase in creditors	**20,000**	1,000
Net cash generated/ (utilised) from operating activities	**168,638**	(523,720)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	**(357,569)**	(482,000)
Proceeds on disposal of investments	**564,536**	250,000
Net cash generated / (utilised) in investing activities	**206,967**	(232,000)
Net increase/(decrease) in cash during the year	**375,605**	(755,720)
Cash at the beginning of the year	**41,245**	796,965
Cash at the end of the year	**416,850**	41,245
Cash at the end of the year comprise of		
Cash at bank	**416,850**	41,245

The Foundation has no debt and thus no reconciliation of net debt presented.

The notes on pages 17 to 23 form part of these financial statements.

Notes to the Financial Statements

for the financial year ended 30 June 2025

1. General information

Euro Quality Foundation is registered as a charity by HMRC, Foundation number XT5290. The Trustees of the charity are listed on page 1. The registered office of the charity is also listed on page 1 together with details of the professional advisers and bankers. The charity is registered with the Charities Commission of England & Wales under reference number 1119242.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention unless otherwise noted in the accounting policies below. They have been prepared in accordance with applicable law and accounting standards issued by the Financial Reporting Council, including FRS102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS102"), and the Statement of Recommended Practice – Accounting and Reporting by Charities, effective 1 January 2019 ("SORP").

The Euro Quality Foundation meets the definition of a public benefit entity under FRS 102.

b) Going concern

Given the level of funds the charity holds, the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

c) Currency

Items included in the financial statements of the charity are measured using the currency of the primary economic environment in which the charity operates ("the functional currency"). The financial statements are presented in Sterling, which is the charity's functional and presentation currency, and is denoted by the symbol "£".

d) Incoming resources

Voluntary income

All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Bank interest

The Foundation does not invest in accounts, which generate interest.

Notes to the Financial Statements

for the financial year ended 30 June 2025

2. Accounting policies (continued)

Investment and other income

Investment income is included when receivable.

Other income is recognised in the period in which it is receivable and to the extent it has been earned.

Ethical Income

Ethical income receivable is included in the financial statements in the period in which it is receivable by the Foundation.

e) Cash at bank

Cash at bank includes deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

f) Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans advances are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

g) Investments

Investments in unlisted investments are classified as fixed asset investments as the Foundation intends to hold these on a long-term basis and are held at cost less annual impairment.

h) Financial instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and subsequently measured at their settlement value, unless the arrangement constitutes a financing transaction. Financing transactions are initially measured at the present value of the future receipts discounted at a market rate of interest, and are subsequently carried at amortised cost, using the effective interest rate method.

i) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Notes to the Financial Statements
for the financial year ended 30 June 2025

2. Accounting policies (continued)

Grants payable

Donations are recognised in the financial statements as liabilities after they have been approved by the trustees, even if there are conditions attached to them. This is because there is a valid expectation by the recipients that they will receive the grant. Where a donation is awarded for a period of greater than one year, future instalments of which are subject to satisfactory reports to the Trust, the future grant instalments are included in commitments but are not recognised in the financial statements until satisfactory reports are received. This is because the terms on which these grants are awarded do not create a valid expectation of receipt until the Trust's Trustees are satisfied with the reports received on the use made of the previous year's instalments.

Governance costs

Governance costs are the costs associated with the governance arrangements of the Foundation, which relate to the general running of the Foundation as opposed to those costs associated with fundraising or charitable activity.

Pension costs

The Foundation does not operate a pension scheme, and its trustees receive no remuneration.

j) Unrestricted funds

Unrestricted funds are amounts, which are expendable at the discretion of the trustees in furtherance of the aims of the Trust.

3. Critical accounting judgements and estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

In the process of applying the accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognised in the financial statements:

(a) Impairment of loan advances

Provisions are made for specific and groups of accounts, where objective evidence of impairment exists. The Foundation evaluates these accounts based on available facts and circumstances, including, but not limited to, the length of the relationship with the Foundation, the Foundation credit status based on known market forces, average age of accounts, collection experience and historical loss experience.

(b) Impairment of investments

In assessing impairment of investments, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty related to assumptions about future operating results and the determination of a suitable discount rate. No impairment has been recognized during the financial year.

Notes to the Financial Statements

for the financial year ended 30 June 2025

4. Net incoming/(outgoing) resources

Net incoming/(outgoing) resources is stated after charging:

	2025	2024
	£	£
Auditor's remuneration	**1,000**	1,000

5. Incoming resources

		Unrestricted funds 2025	Total 2025
		£	**£**
Incoming resources from generated funds			
Donations from related parties		**356,036**	**356,036**
Other donations		**595**	**595**
Total income relating to fundraising		**356,631**	**356,631**
Activities for generating funds			
Investment income	6	**90,037**	**90,037**
Other income		**5,909**	**5,909**
Total income from generating funds		**95,946**	**95,946**
Total incoming resources		**452,577**	**452,577**

		Unrestricted funds 2024	Total 2024
		£	**£**
Incoming resources from generated funds			
Donations from related parties		9,406	9,406
Other donations		8,736	8,736
Total income relating to fundraising		18,142	18,142
Activities for generating funds			
Investment income	6	88,110	88,110
Other income		3,057	3,057
Total income from generating funds		91,167	91,167
Total incoming resources		109,309	109,309

6. Investment income

	2025	2024
	£	£
Income from unlisted investments	**90,037**	88,110

Notes to the Financial Statements

for the financial year ended 30 June 2025

7. Analysis of staff costs, trustee remuneration, expenses and the cost of key management personnel

	2025 Number	2024 Number
The number of trustees at the end of the year	**3**	3

None of the trustees received remuneration during the year (2024: £Nil) and the Foundation had no employees (2024: £Nil) or salary costs. No expenses have been paid to the trustees during the year (2024: £Nil). There is no professional indemnity insurance taken out on behalf of the Trustees (2024: £Nil).

8. Expenditure on charitable activities

	2025 £ Unrestricted	2024 £ Unrestricted
Charitable activities		
Emergency & Healthcare	**62,776**	105,300
Education & Training	**171,834**	265,583
Social Community Welfare	**83,289**	262,421
Other support costs	**1,040**	5,725
	318,939	639,029

9. Taxation

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in the furtherance of the Foundation's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Foundation is not registered for VAT and accordingly, all their expenditure is recorded inclusive of any VAT incurred.

Notes to the Financial Statements

for the financial year ended 30 June 2025

10. Investments

Foundation	Unlisted Investments £	Listed Investments £	Total £
Cost and net book value			
At 1 July 2024	747,087	231,913	979,000
Additions	357,569	-	357,569
Disposals	(564,536)	-	(564,536)
At 30 June 2025	**540,120**	**231,913**	**772,033**

Investments relate to investments made in unlisted and listed entity's where less than a significant influence is held. The fair value of the unlisted investments cannot be reliably measured in line with the hierarchy in FRS102 Appendix to Section 2, and as a result it is held at cost. Listed investments, however, have been measured at their market value as at the reporting date. There are no provisions against this provision at 30 June 2025 (2024: £Nil).

These long-term investments are held in the United Kingdom and exist primarily to provide an investment return for the foundation.

11. Debtors

	2025 £	2024 £
Loan advances (including Qard Hasans)	**260,000**	275,000

12. Cash at bank

	2025 £	2024 £
Cash at bank	**416,850**	41,245

13. Creditors: amounts falling due within one year

	2025 £	2024 £
Accruals	**10,000**	9,000
Other creditors	**19,000**	-
	29,000	9,000

14. Financial commitment

At 30 June 2025 the Foundation had no financial commitments (2024: £Nil).

Notes to the Financial Statements

for the financial year ended 30 June 2025

15. Unrestricted funds

Group	Balance 1 July 2024 £	Incoming funds £	Outgoing funds £	Balance 30 June 2025 £
General funds	1,286,245	452,577	(318,939)	1,419,883
	1,286,245	**452,577**	**(318,939)**	**1,419,883**

16. Analysis of net assets between funds

2025	Unrestricted funds £	Total funds £
Investments	**772,033**	**772,033**
Current assets	**676,850**	**676,850**
Creditors: falling due within one year	**(29,000)**	**(29,000)**
	1,419,883	**1,419,883**

2024	Unrestricted funds £	Total funds £
Investments	979,000	979,000
Current assets	316,245	316,245
Creditors: falling due within one year	(9,000)	(9,000)
	1,286,245	1,286,245

17. Ultimate controlling party

The trustees are deemed the ultimate controlling party due to their position within the Foundation.

18. Related party disclosures

The Foundation received £206,036 (2024: £Nil) from Corvedale Fresh Limited. Corvedale Fresh Limited is defined as a related party under FRS 102 as one of the trustees of Euro Quality Foundation is also a director of Corvedale Fresh Limited.

The Foundation received £150,000 (2024: £Nil) from Newington Limited. Newington Limited is defined as a related party under FRS 102 as one of the trustees of Euro Quality Foundation is also a director of Newington Limited.

19. Events since end of financial year

There have been no significant events affecting the Foundation since the financial year-end.

EURO QUALITY FOUNDATION

England & Wales - Charity number 1119242

Accounts

Euro Quality Foundation

Financial Statements

for the financial year ended 30 June 2024

Registered number: 1119242

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Reference and Administrative Information

Trustees	S M Khalid (Chairman) R M Khalid M N Mansha
Registered Office	Euro House Dale Street Craven Arms Shropshire SY7 9PA
Solicitors	Private Client Solicitors Centurion House 129 Deansgate Manchester M3 3WR
Bankers	Al Rayan Bank PLC 394 Coventry Road Small Heath Coventry Road Birmingham B10 OUF
Independent Auditors	Grant Thornton 13-18 City Quay Dublin 2 Ireland D02 ED70

Trustees' Report

for the financial year ended 30 June 2024

The Trustees submit their Annual Report and audited financial statements of the Foundation for the year ended 30 June 2024.

This report sets out the Foundation's aims, objectives and policies as had been developed by the Trustees during the initial years of operation and should be seen as ever evolving. The overall remit of the Trustees is to engage in activities that benefit humanity.

Reference and administrative information

Euro Quality Foundation is registered as a charity by HMRC, Foundation number XT5290. The Trustees and Secretary of the charity are listed on page 1. The principal and registered office of the charity is also listed on page 1 together with details of the professional advisers and bankers. The charity is registered with the Charities Commission of England & Wales under reference number 1119242.

Structure, governance and management

Constitution

The Foundation is governed by a Trust Deed duly executed on 19 February 2007 (as amended on 26 June 2017). These lay out the principles by which the Trustees can govern the Trust.

Registration

The Foundation is registered with the Charities Commission (registration number 1119242) and with HMRC (XT5290).

Ultimate Aim

The ultimate aim is to efficiently distribute wealth in order to eliminate poverty and social injustice and promote educational learning and tolerance worldwide.

The Foundation aims to make a difference by contributing funding and guidance to such good causes that otherwise lack funding to perform its objective effectively. This meets the charitable object of applying income for or towards any charitable purposes, the trustees think fit.

It does this in a number of ways

- Engaging with like-minded philanthropists to assess and address societal issues such as poverty, economic empowerment, social injustice, lack of access to education and lack of tolerance between communities;

Trustees' Report

for the financial year ended 30 June 2024

Ultimate Aim (continued)

- Funding and engaging directly with charities that address such societal issues; and
- Funding and engaging with organisations that advance religious practice, tolerance, understanding and learning.

Funding can be in the form of direct donations or interest-free loans. The effectiveness of funding is discussed and assessed at annual trustee meetings.

Mission Statement

"To provide a mechanism by which charitable donations can be efficiently amassed and effectively distributed in accordance with Islamic principles".

Background

Euro Quality Foundation has been established as a Philantropy Fund. Similar to the way in which an Investment Fund operates by pooling funds to maximise returns for its stakeholders, a Philantropy Fund pools donations from various sources to maximise the efficiency and effectiveness of their donations.

Zakah

Zakah is an obligatory charity on Muslims who possess Net Wealth. Net Wealth can loosely be defined as the value of non-essential assets over and beyond the payer's immediate and necessary liabilities. Zakah is then calculated as an (Islamic) annual rate of 2.5% of this amount. Euro Quality Foundation provides a mechanism by which individuals and businesses can learn about and fulfil their Zakah obligations.

Operating Policy

The Foundation will conduct itself and its activities in an ethical and transparent manner. Policies may be changed or adapted to further the Foundations objectives.

Donation & Grant making policy

The Foundation works with registered charities. Each application is considered on its own merits. It expects full accountability, transparency and progress reports from recipients for any donations made with ongoing reviews to monitor performance and results against expectations. The following sectors take precedence:

- Global Emergency Situations,
- Poverty Relief;
- Sustainable Living;
- Social Projects;

Trustees' Report

for the financial year ended 30 June 2024

Donation & Grant making policy (continued)

- Medical Needs; and
- Education

Since inception, the Foundation has made a number of donations to UK registered charities selected on their ability to provide poverty relief, combat social injustice and promote education and tolerance. Working with a smaller pool of charities has enabled the Trustees to start building relationships and increase the effectiveness of the donations.

Reserves policy

The Foundation has unrestricted funds, which are not committed or invested in tangible fixed assets or designated for specific purposes ("the free reserves"), and are retained to meet the future requirements of the Foundation. The Foundation has emergency reserves of £10,000 (2023: £10,000) in the event of the Foundation being wound up. The Foundation's policy is to retain a level of unrestricted reserves, which meets the needs of the Foundation both at the current time and in the foreseeable future. The Trustees are of the opinion that this amount remains, to be distributed for unexpected costs. This will not be static, will be held on a discretionary basis and is reviewed annually by the trustees.

Investment policy

The Foundation only invests in ethical investments. The trustees continually monitor investments and returns for ethical compliance criteria. The trustees will initiate new forms of ethical investments if they believe it enhances the returns for the Foundation whilst balancing financial commitments, constraints, reserves and liquidity requirements. In particular, the Foundation will only invest in riba-free (non-usury) and shariah-compliant investments.

Organisation

The Trustees meet on a regular basis to discuss potential donations to and from the Foundation alongside any other issues, with a formal meeting occurring annually. The Trustees use personal contacts to obtain external advice on a needs basis and to keep administration costs down. The Trustees do not charge for their time or their expenses.

Risk management

Major risks, which have been identified and discussed by the trustees include loss of funding due to poor profitability of the sponsoring corporate companies and loss of reputation, perhaps due to adverse publicity, leading to a fall in public confidence in the Foundation and a consequent reduction in other income. Further risks include the ability to ensure sufficient funding going forward in light of decline in public spending. There are also risks associated with maintaining the highest security of our information to prevent loss of data.

Risks related to operations in foreign countries are mitigated by using only UK or EU registered charities operating in those jurisdictions but subject to UK and EU charitable and funding laws.

Trustees' Report

for the financial year ended 30 June 2024

Risk management (continued)

Other risks relate to engaging with UK registered charities under investigation by charities commission or demonstrating poor governance by late filing of documents. Prior to any funding being forwarded the charities commission website will be reviewed to confirm any ongoing investigation and/or late filing of documents. The charity will then be asked about these and unless satisfactory responses are received, funding will be withheld until the investigation is completed or documents are filed.

The trustees review the risks to which the charities are exposed on a regular basis and a risk management strategy is in place where by those risks are identified, the levels of risk is assessed and systems and controls for those risks are established. The trustees take all appropriate steps to moderate and manage the operational risks to which the assets of Euro Quality Foundation are exposed.

Having considered all identified risks the Trustees do not consider there to be a risk to the going concern status of the organisation.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the Foundation. Any connection between a trustee of the Foundation with any related organisation from which the Foundation avails of services or donations must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Euro Quality Lambs Limited, Europack Ltd and Grove Park Limited are considered related parties, due to the directors of these entities, being trustees of the Foundation. Related party transactions have been disclosed in note 18.

Taxation status

The Foundation is a registered Foundation, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Foundation's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Foundation is not registered for VAT and accordingly, all their expenditure is recorded inclusive of any VAT incurred.

Trustees

The Trustees are Mr SM Khalid, Mr Rizvan M Khalid and Mr M Nadeem Mansha.

Appointment of new trustees

New trustees are recruited by open recruitment by existing trustees to fulfil specific roles on the trustees' board. The potential trustee is then interviewed by the chairperson and secretary of the board regarding their willingness to become a trustee and their potential contribution to the Foundation is considered.

Trustees' Report

for the financial year ended 30 June 2024

Induction and training of trustees

The new trustee's induction and training are similar to those set out for any employees of the Foundation. They are given an overview of the aims, objectives and achievements, introduced to the Trustees, are provided with a copy of the Trust deed (which explains trustees' powers and responsibilities) and details of the recent financial performance of the Foundation. All new trustees meet with other existing trustees.

Funds held as custodian trustees on behalf of others

The Foundation holds no funds as custodian trustees on behalf of others.

Objectives and activities

The Trust's objectives are listed below. The Trust's primary activity is to liaise with and support the best performing charities in selected sectors but it will also undertake charitable activities directly if a need is established. The Foundation aims to become a knowledge hub and develop best practice guidelines for donors and recipients.

The objectives of the Foundation are as follows:

- To connect like-minded philanthropists;
- To provide guidelines & promote good-practice in Zakah calculation, collection & distribution;
- To assess and select recipient charities on the basis of sector involvement, urgency (need), professionalism and benefit to humanity;
- To build relationships with recipient charities;
- To assess and review performances of recipient charities in relation to donations made; and
- To offer recipient charities beneficial advice e.g. identification and exploitation of synergies.

Public Benefit Statement

"Public Benefit" is the legal requirement for every organisation set up with charitable aims to be able to demonstrate that the charity has been set up to meet this requirement. The Trustees confirm that they have had regard to the Foundation Commission for England and Wales' guidance on public benefit on reporting on the Charities benefits and achievements. The Trustees are confident that the activities have helped to achieve the Foundation's purposes and provide a benefit to the beneficiaries.

Trustees' Report

for the financial year ended 30 June 2024

Operating Review 2024

Achievements and performance

The Foundation has been operating since 2007. The trustees have continued to grant Qard Hasans as a means of funding capital-poor beneficiaries for the cost of income-generating programmes, which would then repay the Qard Hasans in time. Qard Hasan repayments are then recycled to help other charities & organisations to develop income-generating programmes in a similar manner.

Financial review

The Foundation received £18,142 (2023: £763,842) in donations from related parties and other donations. There is also £91,167 (2023: £17,798) receipts from investment and other income.

The Foundation paid out £639,029 (2023: £544,237) in direct donations and other expenses.

There is £41,425 (2023: £796,965) in cash at bank at the year end.

The net asset position as at 30 June 2024 is £1,286,245 (2023: £1,815,965).

Direct donations of £639,029 (2023: £544,237) are comprised of the following:

- £262,421 (2023: £195,750) for Social Welfare causes such as Private Ambulances, Orphans, Women Homes & Community Groups; and
- £265,583 (2023: £223,375) for Education
- £105,300 (2023: £124,067) for Emergency & Healthcare
- £5,725 (2023: £1,045) for other support costs

The Trustees consider that during the year good progress has been made against the Foundation's aims. The profitability of sponsoring corporates has enabled income to be maintained.

Plans for 2025

The Trustees' one-year plan is to strengthen its ties with existing charities and to engage with other philanthropist charities and foundations. It anticipates making a similar level of donations and grants next year.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 Foundation and of the incoming resources and application of resources of the Foundation for that period.

Trustees' Report

for the financial year ended 30 June 2024

Statement of trustees' responsibilities (continued)

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far the trustees are aware at the timing of approving our trustees' annual report:

- there is no relevant audit information of which the Foundation's auditor is 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 Foundation's auditor is aware of that information.

Independent auditors

Grant Thornton will be proposed for reappointment as auditors at the Trustees' meeting.

By order of the Board

M N Mansha
Trustee

Date: 20 November 2024

Grant Thornton

Independent Auditor's Report to the Trustees of Euro Quality Foundation

Opinion

We have audited the financial statements of Euro Quality Foundation ("the Foundation"), which comprise the Statement of Financial Activities, the Balance Sheet and Statement of Cash Flows for the financial year ended 30 June 2024, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Euro Quality Foundation's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the foundation's affairs as at 30 June 2024 and of its incoming resources and application of resources and cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

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 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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 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 Foundation's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Grant Thornton

Independent Auditor's Report to the Trustees of Euro Quality Foundation

Conclusions relating to going concern (continued)

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

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon including the Trustee' Report. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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 in the financial statements, 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- The information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit.

Grant Thornton

Independent Auditor's Report to the Trustees of Euro Quality Foundation (continued)

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the trustees' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, and for such internal control as trustees determine 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, management is responsible for assessing the Foundation'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 management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

We have been appointed as auditors under section 145 of the Charites Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

The objectives of an auditor 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 an auditor's report that includes their 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 an auditor's 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 auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Independent Auditor's Report to the Trustees of Euro Quality Foundation (continued)

Responsibilities of the auditor for the audit of the financial statements (continued)

Based on our understanding of the Foundation, we identified that the principal risks of non-compliance with laws and regulations related to data protection and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charity Act 2011 and local tax legislation. The audit engagement partner considered the experience and expertise of the engagement team to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment significant transactions, or incomplete/inaccurate disclosures in the financial statements.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- review of minutes of trustees' meetings during the year to corroborate inquiries made;
- gaining an understanding of the entity's current activities, the scope of authorisation and the effectiveness of its control environment to mitigate risks related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including impairment of loan advances and;
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

Independent Auditor's Report to the Trustees of Euro Quality Foundation (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008.

Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's 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 trustees of Euro Quality Foundation as a body, for our audit work, for this report, or for the opinions we have formed.

Jason Crawford (Senior Statutory Auditor)
For and on behalf of
Grant Thornton
Chartered Accountants & Statutory Auditors
Dublin

Date: 20/4/2024

Statement of financial activities

for the financial year ended 30 June 2024

	NOTES	2024 Unrestricted £	2023 Unrestricted £
INCOMING RESOURCES			
Incoming resources from generated funds			
Donations	5	**18,142**	763,842
Activities for generating funds			
Investment income	5, 6	**88,110**	10,000
Other income	5	**3,057**	7,798
Total incoming resources		**109,309**	781,640
RESOURCES EXPENDED			
Expenditure on charitable activities	8	**(639,029)**	(544,237)
Total resources expended		**(639,029)**	(544,237)
Net (outgoing)/incoming resources		**(529,720)**	237,403
FUND BALANCES			
Fund balances brought forward at 1 July 2023		**1,815,965**	1,578,562
Fund balances carried forward at 30 June 2024	16	**1,286,245**	1,815,965

All amounts relate to continuing operations.

The notes on pages 17 to 23 form part of these financial statements.

Balance Sheet

As at 30 June 2024

	NOTES	2024 £	2023 £
FIXED ASSETS			
Investments	10	**979,000**	747,000
		979,000	747,000
CURRENT ASSETS			
Debtors	11	**275,000**	280,000
Cash at bank	12	**41,245**	796,965
		316,245	1,076,965
Creditor: amounts falling due within one year	13	**(9,000)**	(8,000)
Net current assets		**307,245**	1,068,965
Net assets		**1,286,245**	1,815,965
The funds of the Foundation			
Unrestricted income funds	15	**1,286,245**	1,815,965

The financial statements were approved by the Trustees and authorised for issue by the board on 20 November 2024

Signed on behalf of the board:

S M Khalid
Trustee

R M Khalid
Trustee

M N Mansha
Trustee

The notes on pages 17 to 23 form part of these financial statements.

Statement of Cash Flows

As at 30 June 2024

	2024	2023
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (outgoing)/incoming resources	**(529,720)**	237,403
Increase in debtors	**5,000**	(15,000)
Increase in creditors	**1,000**	1,000
Net cash (utilised)/generated from operating activities	**(523,720)**	223,403
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	**(482,000)**	(287,000)
Proceeds on disposal of investments	**250,000**	-
Net cash utilised in investing activities	**(232,000)**	(287,000)
Decrease in cash during the year	**(755,720)**	(63,597)
Cash at the beginning of the year	**796,965**	860,562
Cash at the end of the year	**41,245**	796,965
Cash at the end of the year comprise of		
Cash at bank	**41,245**	796,965

The Foundation has no debt and thus no reconciliation of net debt presented.

The notes on pages 17 to 23 form part of these financial statements.

Notes to the Financial Statements

for the financial year ended 30 June 2024

1. General information

Euro Quality Foundation is registered as a charity by HMRC, Foundation number XT5290. The Trustees and Secretary of the charity are listed on page 1. The principal and registered office of the charity is also listed on page 1 together with details of the professional advisers and bankers. The charity is registered with the Charities Commission of England & Wales under reference number 1119242.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention unless otherwise noted in the accounting policies below. They have been prepared in accordance with applicable law and accounting standards issued by the Financial Reporting Council, including FRS102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS102"), and the Statement of Recommended Practice – Accounting and Reporting by Charities, effective 1 January 2019 ("SORP").

The Euro Quality Foundation meets the definition of a public benefit entity under FRS 102.

b) Going concern

Given the level of funds the charity holds, the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

c) Currency

Items included in the financial statements of the charity are measured using the currency of the primary economic environment in which the charity operates ("the functional currency"). The financial statements are presented in Sterling, which is the charity's functional and presentation currency, and is denoted by the symbol "£".

d) Incoming resources

Voluntary income

All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Bank interest

The Foundation does not invest in accounts, which generate interest.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2. Accounting policies (continued)

Investment and other income

Investment income is included when receivable.

Other income is recognised in the period in which it is receivable and to the extent it has been earned.

Ethical Income

Ethical income receivable is included in the financial statements in the period in which it is receivable by the Foundation.

e) Cash at bank

Cash at bank includes deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

f) Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans advances are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

g) Investments

Investments in unlisted investments are classified as fixed asset investments as the Foundation intends to hold these on a long-term basis and are held at cost less annual impairment.

h) Financial instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and subsequently measured at their settlement value, unless the arrangement constitutes a financing transaction. Financing transactions are initially measured at the present value of the future receipts discounted at a market rate of interest, and are subsequently carried at amortised cost, using the effective interest rate method.

i) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Notes to the Financial Statements

for the financial year ended 30 June 2024

2. Accounting policies (continued)

Grants payable

Donations are recognised in the financial statements as liabilities after they have been approved by the trustees, even if there are conditions attached to them. This is because there is a valid expectation by the recipients that they will receive the grant. Where a donation is awarded for a period of greater than one year, future instalments of which are subject to satisfactory reports to the Trust, the future grant instalments are included in commitments but are not recognised in the financial statements until satisfactory reports are received. This is because the terms on which these grants are awarded do not create a valid expectation of receipt until the Trust's Trustees are satisfied with the reports received on the use made of the previous year's instalments.

Governance costs

Governance costs are the costs associated with the governance arrangements of the Foundation, which relate to the general running of the Foundation as opposed to those costs associated with fundraising or charitable activity.

Pension costs

The Foundation does not operate a pension scheme, and its trustees receive no remuneration.

j) Unrestricted funds

Unrestricted funds are amounts, which are expendable at the discretion of the trustees in furtherance of the aims of the Trust.

3. Critical accounting judgements and estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

In the process of applying the accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognised in the financial statements:

(a) Impairment of loan advances

Provisions are made for specific and groups of accounts, where objective evidence of impairment exists. The Foundation evaluates these accounts based on available facts and circumstances, including, but not limited to, the length of the relationship with the Foundation, the Foundation credit status based on known market forces, average age of accounts, collection experience and historical loss experience.

(b) Impairment of investments

In assessing impairment of investments, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty related to assumptions about future operating results and the determination of a suitable discount rate. No impairment has been recognized during the financial year.

Notes to the Financial Statements

for the financial year ended 30 June 2024

4. Net (outgoing)/incoming resources

Net (outgoing)/incoming resources is stated after charging:

	2024	2023
	£	£
Auditor's remuneration	**1,000**	1,000

5. Incoming resources

		Unrestricted funds 2024	Total 2024
		£	£
Incoming resources from generated funds			
Donations from related parties		-	**9,406**
Other donations		**18,142**	**8,736**
Total income relating to fundraising		**18,142**	**18,142**
Activities for generating funds			
Investment income	6	**88,110**	**88,110**
Other income		**3,057**	**3,057**
Total income from generating funds		**91,167**	**91,167**
Total incoming resources		**109,309**	**109,309**

		Unrestricted funds 2023	Total 2023
		£	£
Incoming resources from generated funds			
Donations from related parties		763,704	763,704
Other donations		138	138
Total income relating to fundraising		763,842	763,842
Activities for generating funds			
Investment income	6	10,000	10,000
Other income		7,798	7,798
Total income from generating funds		17,798	17,798
Total incoming resources		781,640	781,640

6. Investment income

	2024	2023
	£	£
Income from unlisted investments	**88,110**	10,000

Notes to the Financial Statements

for the financial year ended 30 June 2024

7. Analysis of staff costs, trustee remuneration, expenses and the cost of key management personnel

	2024 Number	2023 Number
The number of trustees at the end of the year	**3**	3

None of the trustees received remuneration during the year (2023: £Nil) and the Foundation had no employees (2023: £Nil) or salary costs. No expenses have been paid to the trustees during the year (2023: £Nil). There is no professional indemnity insurance taken out on behalf of the Trustees (2023: £Nil).

8. Expenditure on charitable activities

	2024 £ Unrestricted	2023 £ Unrestricted
Charitable activities		
Emergency & Healthcare	**105,300**	124,067
Education & Training	**265,583**	223,375
Social Community Welfare	**262,421**	195,750
Other support costs	**5,725**	1,045
	639,029	544,237

9. Taxation

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in the furtherance of the Foundation's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Foundation is not registered for VAT and accordingly, all their expenditure is recorded inclusive of any VAT incurred.

Notes to the Financial Statements

for the financial year ended 30 June 2024

10. Investments

Foundation	Unlisted Investments £
Cost and net book value	
At 1 July 2023	747,000
Additions	482,000
Disposals	(250,000)
At 30 June 2024	**979,000**

Investments relate to an investment made in an unlisted entity where less than a significant influence is held. The fair value of this investment cannot be reliably measured in line with the hierarchy in FRS102 Appendix to Section 2, and as a result it is held at cost. There are no provisions against this provision at 30 June 2024 (2023: £Nil).

These long-term investments are held in the United Kingdom and exist primarily to provide an investment return for the foundation.

11. Debtors

	2024 £	2023 £
Loan advances (including Qard Hasans)	**275,000**	280,000

12. Cash at bank

	2024 £	2023 £
Cash at bank	**41,245**	796,965

13. Creditors: amounts falling due within one year

	2024 £	2023 £
Accruals	**9,000**	8,000

14. Financial commitment

At 30 June 2024 the Foundation had no financial commitments (2023: £Nil).

Notes to the Financial Statements

for the financial year ended 30 June 2024

15. Unrestricted funds

Group	Balance 1 July 2023 £	Incoming funds £	Outgoing funds £	Balance 30 June 2024 £
General funds	1,815,965	109,309	(639,029)	1,286,245
	1,815,965	**109,309**	**(639,029)**	**1,286,245**

16. Analysis of net assets between funds

2024	Unrestricted funds £	Total funds £
Investments	**979,000**	**979,000**
Current assets	**316,245**	**316,245**
Creditors: falling due within one year	**(9,000)**	**(9,000)**
	1,286,245	**1,286,245**

2023	Unrestricted funds £	Total funds £
Investments	747,000	747,000
Current assets	1,076,965	1,076,965
Creditors: falling due within one year	(8,000)	(8,000)
	1,815,965	1,815,965

17. Ultimate controlling party

The trustees are deemed the ultimate controlling party due to their position within the Foundation.

18. Related party disclosures

The Foundation received £Nil (2023: £750,000) from Corvedale Fresh Limited (formerly Euro Quality Lambs Limited). Corvedale Fresh Limited is defined as a related party under FRS 102 as two of the trustees of Euro Quality Foundation are also directors of Corvedale Fresh Limited.

The Foundation received £Nil (2023: £8,000) from Europack Ltd. Europack Ltd is defined as a related party under FRS 102 as one of the trustees of Euro Quality Foundation is also a director of Europack Ltd.

19. Events since end of financial year

There have been no significant events affecting the Foundation since the financial year-end.

EURO QUALITY FOUNDATION

England & Wales - Charity number 1119242

Accounts

Euro Quality Foundation

Financial Statements

for the financial year ended 30 June 2023

Registered number: 1119242

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Reference and Administrative Information

Trustees	S M Khalid (Chairman) R M Khalid M N Mansha
Registered Office	Euro House Dale Street Craven Arms Shropshire SY7 9PA
Solicitors	JMW Solicitors LLP 1 Byrom Place Manchester M3 3HG
Bankers	Al Rayan Bank PLC 394 Coventry Road Small Heath Coventry Road Birmingham B10 OUF
Independent Auditors	Grant Thornton 13-18 City Quay Dublin 2 Ireland DO2 ED70

Trustees' Report

for the financial year ended 30 June 2023

The Trustees submit their Annual Report and audited financial statements of the Foundation for the year ended 30 June 2023.

This report sets out the Foundation's aims, objectives and policies as had been developed by the Trustees during the initial years of operation and should be seen as ever evolving. The overall remit of the Trustees is to engage in activities that benefit humanity.

Reference and administrative information

Euro Quality Foundation is registered as a charity by HMRC, Foundation number XT5290. The Trustees and Secretary of the charity are listed on page 1. The principal and registered office of the charity is also listed on page 1 together with details of the professional advisers and bankers. The charity is registered with the Charities Commission of England & Wales under reference number 1119242.

Structure, governance and management

Constitution

The Foundation is governed by a Trust Deed duly executed on 19 February 2007 (as amended on 26 June 2017). These lay out the principles by which the Trustees can govern the Trust.

Registration

The Foundation is registered with the Charities Commission (registration number 1119242) and with HMRC (XT5290).

Ultimate Aim

The ultimate aim is to efficiently distribute wealth in order to eliminate poverty and social injustice and promote educational learning and tolerance worldwide.

The Foundation aims to make a difference by contributing funding and guidance to such good causes that otherwise lack funding to perform its objective effectively. This meets the charitable object of applying income for or towards any charitable purposes, the trustees think fit.

It does this in a number of ways

- Engaging with like-minded philanthropists to assess and address societal issues such as poverty, economic empowerment, social injustice, lack of access to education and lack of tolerance between communities;

Trustees' Report

for the financial year ended 30 June 2023

Ultimate Aim (continued)

- Funding and engaging directly with charities that address such societal issues; and
- Funding and engaging with organisations that advance religious practice, tolerance, understanding and learning.

Funding can be in the form of direct donations or interest-free loans. The effectiveness of funding is discussed and assessed at annual trustee meetings.

Mission Statement

"To provide a mechanism by which charitable donations can be efficiently amassed and effectively distributed in accordance with Islamic principles".

Background

Euro Quality Foundation has been established as a Philantropy Fund. Similar to the way in which an Investment Fund operates by pooling funds to maximise returns for its stakeholders, a Philantropy Fund pools donations from various sources to maximise the efficiency and effectiveness of their donations.

Zakah

Zakah is an obligatory charity on Muslims who possess Net Wealth. Net Wealth can loosely be defined as the value of non-essential assets over and beyond the payer's immediate and necessary liabilities. Zakah is then calculated as an (Islamic) annual rate of 2.5% of this amount. Euro Quality Foundation provides a mechanism by which individuals and businesses can learn about and fulfil their Zakah obligations.

Operating Policy

The Foundation will conduct itself and its activities in an ethical and transparent manner. Policies may be changed or adapted to further the Foundations objectives.

Donation & Grant making policy

The Foundation works with registered charities. Each application is considered on its own merits. It expects full accountability, transparency and progress reports from recipients for any donations made with ongoing reviews to monitor performance and results against expectations. The following sectors take precedence:

- Global Emergency Situations,
- Poverty Relief;
- Sustainable Living;
- Social Projects;

Trustees' Report

for the financial year ended 30 June 2023

Donation & Grant making policy (continued)

- Medical Needs; and
- Education

Since inception, the Foundation has made a number of donations to UK registered charities selected on their ability to provide poverty relief, combat social injustice and promote education and tolerance. Working with a smaller pool of charities has enabled the Trustees to start building relationships and increase the effectiveness of the donations.

Reserves policy

The Foundation has unrestricted funds, which are not committed or invested in tangible fixed assets or designated for specific purposes ("the free reserves"), and are retained to meet the future requirements of the Foundation. The Foundation has emergency reserves of £10,000 (2022: £10,000) in the event of the Foundation being wound up. The Foundation's policy is to retain a level of unrestricted reserves, which meets the needs of the Foundation both at the current time and in the foreseeable future. The Trustees are of the opinion that this amount remains, to be distributed for unexpected costs. This will not be static, will be held on a discretionary basis and is reviewed annually by the trustees.

Investment policy

The Foundation only invests in ethical investments. The trustees continually monitor investments and returns for ethical compliance criteria. The trustees will initiate new forms of ethical investments if they believe it enhances the returns for the Foundation whilst balancing financial commitments, constraints, reserves and liquidity requirements. In particular, the Foundation will only invest in riba-free (non-usury) and shariah-compliant investments.

Organisation

The Trustees meet on a regular basis to discuss potential donations to and from the Foundation alongside any other issues, with a formal meeting occurring annually. The Trustees use personal contacts to obtain external advice on a needs basis and to keep administration costs down. The Trustees do not charge for their time or their expenses.

Risk management

Major risks, which have been identified and discussed by the trustees include loss of funding due to poor profitability of the sponsoring corporate companies and loss of reputation, perhaps due to adverse publicity, leading to a fall in public confidence in the Foundation and a consequent reduction in other income. Further risks include the ability to ensure sufficient funding going forward in light of decline in public spending. There are also risks associated with maintaining the highest security of our information to prevent loss of data.

Risks related to operations in foreign countries are mitigated by using only UK or EU registered charities operating in those jurisdictions but subject to UK and EU charitable and funding laws.

Trustees' Report
for the financial year ended 30 June 2023

Risk management (continued)

Other risks relate to engaging with UK registered charities under investigation by charities commission or demonstrating poor governance by late filing of documents. Prior to any funding being forwarded the charities commission website will be reviewed to confirm any ongoing investigation and/or late filing of documents. The charity will then be asked about these and unless satisfactory responses are received, funding will be withheld until the investigation is completed or documents are filed.

The trustees review the risks to which the charities are exposed on a regular basis and a risk management strategy is in place where by those risks are identified, the levels of risk is assessed and systems and controls for those risks are established. The trustees take all appropriate steps to moderate and manage the operational risks to which the assets of Euro Quality Foundation are exposed.

Having considered all identified risks the Trustees do not consider there to be a risk to the going concern status of the organisation.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the Foundation. Any connection between a trustee of the Foundation with any related organisation from which the Foundation avails of services or donations must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Euro Quality Lambs Limited, Europack Ltd and Grove Park Limited are considered related parties, due to the directors of these entities, being trustees of the Foundation. Related party transactions have been disclosed in note 18.

Taxation status

The Foundation is a registered Foundation, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Foundation's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Foundation is not registered for VAT and accordingly, all their expenditure is recorded inclusive of any VAT incurred.

Trustees

The Trustees are Mr SM Khalid, Mr Rizvan M Khalid and Mr M Nadeem Mansha.

Appointment of new trustees

New trustees are recruited by open recruitment by existing trustees to fulfil specific roles on the trustees' board. The potential trustee is then interviewed by the chairperson and secretary of the board regarding their willingness to become a trustee and their potential contribution to the Foundation is considered.

Trustees' Report

for the financial year ended 30 June 2023

Induction and training of trustees

The new trustee's induction and training are similar to those set out for any employees of the Foundation. They are given an overview of the aims, objectives and achievements, introduced to the Trustees, are provided with a copy of the Trust deed (which explains trustees' powers and responsibilities) and details of the recent financial performance of the Foundation. All new trustees meet with other existing trustees.

Funds held as custodian trustees on behalf of others

The Foundation holds no funds as custodian trustees on behalf of others.

Objectives and activities

The Trust's objectives are listed below. The Trust's primary activity is to liaise with and support the best performing charities in selected sectors but it will also undertake charitable activities directly if a need is established. The Foundation aims to become a knowledge hub and develop best practice guidelines for donors and recipients.

The objectives of the Foundation are as follows:

- To connect like-minded philanthropists;
- To provide guidelines & promote good-practice in Zakah calculation, collection & distribution;
- To assess and select recipient charities on the basis of sector involvement, urgency (need), professionalism and benefit to humanity;
- To build relationships with recipient charities;
- To assess and review performances of recipient charities in relation to donations made; and
- To offer recipient charities beneficial advice e.g. identification and exploitation of synergies.

Public Benefit Statement

"Public Benefit" is the legal requirement for every organisation set up with charitable aims to be able to demonstrate that the charity has been set up to meet this requirement. The Trustees confirm that they have had regard to the Foundation Commission for England and Wales' guidance on public benefit on reporting on the Charities benefits and achievements. The Trustees are confident that the activities have helped to achieve the Foundation's purposes and provide a benefit to the beneficiaries.

Trustees' Report

for the financial year ended 30 June 2023

Operating Review 2023

Achievements and performance

The Foundation has been operating since 2007. The trustees have continued to grant Qard Hasans as a means of funding capital-poor beneficiaries for the cost of income-generating programmes, which would then repay the Qard Hasans in time. Qard Hasan repayments are then recycled to help other charities & organisations to develop income-generating programmes in a similar manner.

Financial review

The Foundation paid out £544,237 (2022: £627,585) in direct donations and other expenses.

There is £796,965 (2022: £860,562) in cash at bank at the year end.

The net asset position as at 30 June 2023 is £1,815,965 (2022: £1,578,562).

Direct donations of £544,237 (2022: £627,585) are comprised of the following:

- £195,750 (2022: £133,790) for Social Welfare causes such as Private Ambulances, Orphans, Women Homes & Community Groups; and
- £223,375 (2022: £392,650) for Education
- £124,067 (2022: £100,075) for Emergency & Healthcare
- £1,045 (2022: £1,070) for other support costs

The Trustees consider that during the year good progress has been made against the Foundation's aims. The profitability of sponsoring corporates has enabled income to be maintained.

Plans for 2024

The Trustees' one-year plan is to strengthen its ties with existing charities and to engage with other philanthropist charities and foundations. It anticipates making a similar level of donations and grants next year.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 Foundation and of the incoming resources and application of resources of the Foundation for that period.

Trustees' Report

for the financial year ended 30 June 2023

Statement of trustees' responsibilities (continued)

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far the trustees are aware at the timing of approving our trustees' annual report:

- there is no relevant audit information of which the Foundation's auditor is 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 Foundation's auditor is aware of that information.

Independent auditors

Grant Thornton will be proposed for reappointment as auditors at the Trustee's meeting.

By order of the Board

M N Mansha
Trustee

Date:

Independent Auditor's Report to the Trustees of Euro Quality Foundation

Opinion

We have audited the financial statements of Euro Quality Foundation ("the Foundation"), which comprise the Statement of Financial Activities, the Balance Sheet and Statement of Cash Flows for the financial year ended 30 June 2023, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Euro Quality Foundation's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the foundation's affairs as at 30 June 2023 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

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 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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 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 Foundation's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report to the Trustees of Euro Quality Foundation

Conclusions relating to going concern (continued)

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

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon including the Trustee' Report. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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 in the financial statements, 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- The information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit.

Grant Thornton

Independent Auditor's Report to the Trustees of Euro Quality Foundation (continued)

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the trustees' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, and for such internal control as trustees determine 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, management is responsible for assessing the Foundation'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 management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

We have been appointed as auditors under section 145 of the Charites Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

The objectives of an auditor 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 an auditor's report that includes their 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 an auditor's 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 auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Independent Auditor's Report to the Trustees of Euro Quality Foundation (continued)

Responsibilities of the auditor for the audit of the financial statements (continued)

Based on our understanding of the Foundation, we identified that the principal risks of non-compliance with laws and regulations related to data protection and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charity Act 2011 and local tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment significant transactions, or incomplete/inaccurate disclosures in the financial statements.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- review of minutes of trustees' meetings during the year to corroborate inquiries made;
- gaining an understanding of the entity's current activities, the scope of authorisation and the effectiveness of its control environment to mitigate risks related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including impairment of loan advances and;
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

Independent Auditor's Report to the Trustees of Euro Quality Foundation (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008.

Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's 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 trustees of Euro Quality Foundation as a body, for our audit work, for this report, or for the opinions we have formed.

Jason Crawford (Senior Statutory Auditor)
For and on behalf of
Grant Thornton
Chartered Accountants & Statutory Auditors
Dublin

Statement of financial activities

for the financial year ended 30 June 2023

	NOTES	2023 Unrestricted £	2022 Unrestricted £
INCOMING RESOURCES			
Incoming resources from generated funds			
Donations	5	**763,842**	699,878
Activities for generating funds			
Investment income	5, 6	**10,000**	10,000
Other income	5	**7,798**	7,945
Total incoming resources		**781,640**	717,823
RESOURCES EXPENDED			
Expenditure on charitable activities	8	**(544,237)**	(627,585)
Total resources expended		**(544,237)**	(627,585)
Net incoming resources		**237,403**	90,238
FUND BALANCES			
Fund balances brought forward at 1 July 2022		**1,578,562**	1,488,324
Fund balances carried forward at 30 June 2023	16	**1,815,965**	1,578,562

All amounts relate to continuing operations.

The notes on pages 17 to 23 form part of these financial statements.

Balance Sheet

As at 30 June 2023

	NOTES	2023 £	2022 £
FIXED ASSETS			
Investments	10	**747,000**	460,000
		747,000	460,000
CURRENT ASSETS			
Debtors	11	**280,000**	265,000
Cash at bank	12	**796,965**	860,562
		1,076,965	1,125,562
Creditor: amounts falling due within one year	13	**(8,000)**	(7,000)
Net current assets		**1,068,965**	1,118,562
Net assets		**1,815,965**	1,578,562
The funds of the Foundation			
Unrestricted income funds	15	**1,815,965**	1,578,562

The financial statements were approved by the Trustees and authorised for issue by the board on

Signed on behalf of the board:

S M Khalid
Trustee

R M Khalid
Trustee

M N Mansha
Trustee

The notes on pages 17 to 23 form part of these financial statements.

Statement of Cash Flows

As at 30 June 2023

	2023	2022
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Net incoming resources	**237,403**	90,238
Increase in debtors	**(15,000)**	(1,000)
Increase in creditors	**1,000**	1,000
Net cash generated from operating activities	**223,403**	90,238
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	**(287,000)**	(350,000)
Net cash utilised in investing activities	**(287,000)**	(350,000)
Decrease in cash during the year	**(63,597)**	(259,762)
Cash at the beginning of the year	**860,562**	1,120,324
Cash at the end of the year	**796,965**	860,562
Cash at the end of the year comprise of		
Cash at bank	**796,965**	860,562

The charity has no debt and thus no reconciliation of net debt presented.

The notes on pages 17 to 23 form part of these financial statements.

Notes to the Financial Statements

for the financial year ended 30 June 2023

1. General information

Euro Quality Foundation is registered as a charity by HMRC, Foundation number XT5290. The Trustees and Secretary of the charity are listed on page 1. The principal and registered office of the charity is also listed on page 1 together with details of the professional advisers and bankers. The charity is registered with the Charities Commission of England & Wales under reference number 1119242.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention unless otherwise noted in the accounting policies below. They have been prepared in accordance with applicable law and accounting standards issued by the Financial Reporting Council, including FRS102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS102"), and the Statement of Recommended Practice – Accounting and Reporting by Charities, effective 1 January 2019 ("SORP").

The Euro Quality Foundation meets the definition of a public benefit entity under FRS 102.

b) Going concern

Given the level of funds the charity holds, the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

c) Currency

Items included in the financial statements of the charity are measured using the currency of the primary economic environment in which the charity operates ("the functional currency"). The financial statements are presented in Sterling, which is the charity's functional and presentation currency, and is denoted by the symbol "£".

d) Incoming resources

Voluntary income

All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Bank interest

The Foundation does not invest in accounts, which generate interest.

Notes to the Financial Statements

for the financial year ended 30 June 2023

2. Accounting policies (continued)

Investment and other income

Investment income is included when receivable.

Other income is recognised in the period in which it is receivable and to the extent it has been earned.

Ethical Income

Ethical income receivable is included in the financial statements in the period in which it is receivable by the Foundation.

e) Cash at bank

Cash at bank includes deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

f) Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans advances are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

g) Investments

Investments in unlisted investments are classified as fixed asset investments as the Foundation intends to hold these on a long-term basis and are held at cost less annual impairment.

h) Financial instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and subsequently measured at their settlement value, unless the arrangement constitutes a financing transaction. Financing transactions are initially measured at the present value of the future receipts discounted at a market rate of interest, and are subsequently carried at amortised cost, using the effective interest rate method.

i) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Notes to the Financial Statements

for the financial year ended 30 June 2023

2. Accounting policies (continued)

Grants payable

Donations are recognised in the financial statements as liabilities after they have been approved by the trustees, even if there are conditions attached to them. This is because there is a valid expectation by the recipients that they will receive the grant. Where a donation is awarded for a period of greater than one year, future instalments of which are subject to satisfactory reports to the Trust, the future grant instalments are included in commitments but are not recognised in the financial statements until satisfactory reports are received. This is because the terms on which these grants are awarded do not create a valid expectation of receipt until the Trust's Trustees are satisfied with the reports received on the use made of the previous year's instalments.

Governance costs

Governance costs are the costs associated with the governance arrangements of the Foundation, which relate to the general running of the Foundation as opposed to those costs associated with fundraising or charitable activity.

Pension costs

The Foundation does not operate a pension scheme, and its trustees receive no remuneration.

j) Unrestricted funds

Unrestricted funds are amounts, which are expendable at the discretion of the trustees in furtherance of the aims of the Trust.

3. Critical accounting judgements and estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

In the process of applying the accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognised in the financial statements:

(a) Impairment of loan advances

Provisions are made for specific and groups of accounts, where objective evidence of impairment exists. The Foundation evaluates these accounts based on available facts and circumstances, including, but not limited to, the length of the relationship with the Foundation, the Foundation credit status based on known market forces, average age of accounts, collection experience and historical loss experience.

Notes to the Financial Statements

for the financial year ended 30 June 2023

4. Net incoming resources

Net incoming resources is stated after charging:

	2023	2022
	£	£
Auditor's remuneration	**1,000**	1,000

5. Incoming resources

		Unrestricted funds 2023	Total 2023
		£	£
Incoming resources from generated funds			
Donations from related parties		**763,704**	**763,704**
Other donations		**138**	**138**
Total income relating to fundraising		**763,842**	**763,842**
Activities for generating funds			
Investment income	6	**10,000**	**10,000**
Other income		**7,798**	**7,798**
Total income from generating funds		**17,798**	**17,798**
Total incoming resources		**781,640**	**781,640**

		Unrestricted funds 2022	Total 2022
		£	£
Incoming resources from generated funds			
Donations from related parties		686,711	686,711
Other donations		13,167	13,167
Total income relating to fundraising		699,878	699,878
Activities for generating funds			
Investment income	6	10,000	10,000
Other income		7,945	7,945
Total income from generating funds		17,945	17,945
Total incoming resources		717,823	717,823

6. Investment income

	2023	2022
	£	£
Income from unlisted investments	**10,000**	10,000

Notes to the Financial Statements

for the financial year ended 30 June 2023

7. Analysis of staff costs, trustee remuneration, expenses and the cost of key management personnel

	2023 Number	2022 Number
The number of trustees at the end of the year	**3**	3

None of the trustees received remuneration during the year (2022: £Nil) and the Foundation had no employees (2022: £Nil) or salary costs. No expenses have been paid to the trustees during the year (2022: £Nil). There is no professional indemnity insurance taken out on behalf of the Trustees (2022: £Nil).

8. Expenditure on charitable activities

	2023 £ Unrestricted	2022 £ Unrestricted
Charitable activities		
Emergency & Healthcare	**124,067**	100,075
Education & Training	**223,375**	392,650
Social Community Welfare	**195,750**	133,790
Auditor's remuneration	**1,000**	1,000
Bank charges	**45**	70
	544,237	627,585

9. Taxation

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in the furtherance of the Foundation's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Foundation is not registered for VAT and accordingly, all their expenditure is recorded inclusive of any VAT incurred.

10. Investments

Foundation	Unlisted Investments £
Cost and net book value	
At 1 July 2022	460,000
Additions	287,000
At 30 June 2023	**747,000**

Investments relate to an investment made in an unlisted entity where less than a significant influence is held. The fair value of this investment cannot be reliably measured in line with the hierarchy in FRS102 section 11, and as a result it is held at cost. There are no provisions against this provision at 31 December 2023 (2022: £Nil).

Notes to the Financial Statements

for the financial year ended 30 June 2023

10. Investments (continued)

These long-term investments are held in the United Kingdom and exist primarily to provide an investment return for the charity.

11. Debtors

	2023	2022
	£	£
Loan advances (including Qard Hasans)	**280,000**	265,000

The charity recorded a provision of £Nil (2022: £Nil) during the year against the loan advances.

12. Cash at bank

	2023	2022
	£	£
Cash at bank	**796,965**	860,562

13. Creditors: amounts falling due within one year

	2023	2022
	£	£
Accruals	**8,000**	7,000

14. Financial commitment

At 30 June 2023 the Foundation had no financial commitments (2022: £Nil).

15. Unrestricted funds

Group	Balance 1 July 2022 £	Incoming funds £	Outgoing funds £	Balance 30 June 2023 £
General funds	1,578,562	781,640	(544,237)	**1,815,965**
	1,578,562	**781,640**	**(544,237)**	**1,815,965**

Notes to the Financial Statements

for the financial year ended 30 June 2023

16. Analysis of net assets between funds

2023	Unrestricted funds	Total funds
	£	£
Investments	**747,000**	**747,000**
Current assets	**1,076,965**	**1,076,965**
Creditors: falling due after more than one year	**(8,000)**	**(8,000)**
	1,815,965	**1,815,965**

2022	Unrestricted funds	Total funds
	£	£
Investments	460,000	460,000
Net current assets	1,125,562	1,125,562
Creditors: falling due after more than one year	(7,000)	(7,000)
	1,578,562	1,578,562

17. Ultimate controlling party

The trustees are deemed the ultimate controlling party due to their position within the Foundation.

18. Related party disclosures

The Foundation received £750,000 (2022: £650,000) from Euro Quality Lambs Limited. Euro Quality Lambs Limited is defined as a related party under FRS 102 as two of the trustees of Euro Quality Foundation are also directors of Euro Quality Lambs Limited.

The Foundation received £8,000 (2022: £9,400) from Europack Ltd. Europack Ltd is defined as a related party under FRS 102 as one of the trustees of Euro Quality Foundation is also a director of Europack Ltd.

19. Events since end of financial year

There have been no significant events affecting the Foundation since the financial year-end.

EURO QUALITY FOUNDATION

England & Wales - Charity number 1119242

Accounts

Euro Quality Foundation

Financial Statements

for the financial year ended 30 June 2022

Registered number: 1119242

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Reference and Administrative Information

Trustees	S M Khalid (Chairman) R M Khalid M N Mansha
Registered Office	Euro House Dale Street Craven Arms Shropshire SY7 9PA
Solicitors	JMW Solicitors LLP 1 Byrom Place Manchester M3 3HG
Bankers	Al Rayan Bank PLC 394 Coventry Road Small Heath Coventry Road Birmingham B10 OUF
Independent Auditors	Grant Thornton 13-18 City Quay Dublin 2 Ireland DO2 ED70

Trustees' Report

for the financial year ended 30 June 2022

The Trustees submit their Annual Report and audited financial statements of the Foundation for the year ended 30 June 2022. The Trustees have adopted the provisions of the 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) — (Charities SORP (FRS 102), in preparing the annual report and financial statements of the Foundation.

This report sets out the Foundation's aims, objectives and policies as had been developed by the Trustees during the initial years of operation and should be seen as ever evolving. The overall remit of the Trustees is to engage in activities that benefit humanity.

Reference and administrative information

Euro Quality Foundation is registered as a charity by HMRC, Foundation number XT5290. The Trustees and Secretary of the charity are listed on page 1. The principal and registered office of the charity is also listed on page 1 together with details of the professional advisers and bankers. The charity is registered with the Charities Commission of England & Wales under reference number 1119242.

Structure, governance and management

Constitution

The Foundation is governed by a Trust Deed duly executed on 19 February 2007 (as amended on 26 June 2017). These lay out the principles by which the Trustees can govern the Trust.

Registration

The Foundation is registered with the Charities Commission (registration number 1119242) and with HMRC (XT5290).

Ultimate Aim

The ultimate aim is to efficiently distribute wealth in order to eliminate poverty and social injustice and promote educational learning and tolerance worldwide.

The Foundation aims to make a difference by contributing funding and guidance to such good causes that otherwise lack funding to perform its objective effectively. This meets the charitable object of applying income for or towards any charitable purposes, the trustees think fit.

It does this in a number of ways

- Engaging with like-minded philanthropists to assess and address societal issues such as poverty, economic empowerment, social injustice, lack of access to education and lack of tolerance between communities;

Trustees' Report

for the financial year ended 30 June 2022

Ultimate Aim (continued)

- Funding and engaging directly with charities that address such societal issues; and
- Funding and engaging with organisations that advance religious practice, tolerance, understanding and learning.

Funding can be in the form of direct donations or interest-free loans. The effectiveness of funding is discussed and assessed at annual trustee meetings.

Mission Statement

"To provide a mechanism by which charitable donations can be efficiently amassed and effectively distributed in accordance with Islamic principles".

Background

Euro Quality Foundation has been established as a Philantropy Fund. Similar to the way in which an Investment Fund operates by pooling funds to maximise returns for its stakeholders, a Philantropy Fund pools donations from various sources to maximise the efficiency and effectiveness of their donations.

Zakah

Zakah is an obligatory charity on Muslims who possess Net Wealth. Net Wealth can loosely be defined as the value of non-essential assets over and beyond the payer's immediate and necessary liabilities. Zakah is then calculated as an (Islamic) annual rate of 2.5% of this amount. Euro Quality Foundation provides a mechanism by which individuals and businesses can learn about and fulfil their Zakah obligations.

Operating Policy

The Foundation will conduct itself and its activities in an ethical and transparent manner. Policies may be changed or adapted to further the Foundations objectives.

Donation & Grant making policy

The Foundation works with registered charities. Each application is considered on its own merits. It expects full accountability, transparency and progress reports from recipients for any donations made with ongoing reviews to monitor performance and results against expectations. The following sectors take precedence:

- Global Emergency Situations,
- Poverty Relief;
- Sustainable Living;
- Social Projects;

Trustees' Report

for the financial year ended 30 June 2022

Donation & Grant making policy (continued)

- Medical Needs; and
- Education

Since inception, the Foundation has made a number of donations to UK registered charities selected on their ability to provide poverty relief, combat social injustice and promote education and tolerance. Working with a smaller pool of charities has enabled the Trustees to start building relationships and increase the effectiveness of the donations.

Reserves policy

The Foundation has unrestricted funds, which are not committed or invested in tangible fixed assets or designated for specific purposes ("the free reserves"), and are retained to meet the future requirements of the Foundation. The Foundation has emergency reserves of £10,000 (2021: £10,000) in the event of the Foundation being wound up. The Foundation's policy is to retain a level of unrestricted reserves, which meets the needs of the Foundation both at the current time and in the foreseeable future. The Trustees are of the opinion that this amount remains, to be distributed for unexpected costs. This will not be static, will be held on a discretionary basis and is reviewed annually by the trustees.

Investment policy

The Foundation only invests in ethical investments. The trustees continually monitor investments and returns for ethical compliance criteria. The trustees will initiate new forms of ethical investments if they believe it enhances the returns for the Foundation whilst balancing financial commitments, constraints, reserves and liquidity requirements. In particular, the Foundation will only invest in riba-free (non-usury) and shariah-compliant investments.

Organisation

The Trustees meet on a regular basis to discuss potential donations to and from the Foundation alongside any other issues, with a formal meeting occurring annually. The Trustees use personal contacts to obtain external advice on a needs basis and to keep administration costs down. The Trustees do not charge for their time or their expenses.

Risk management

Major risks, which have been identified and discussed by the trustees include loss of funding due to poor profitability of the sponsoring corporate companies and loss of reputation, perhaps due to adverse publicity, leading to a fall in public confidence in the Foundation and a consequent reduction in other income. Further risks include the ability to ensure sufficient funding going forward in light of decline in public spending. There are also risks associated with maintaining the highest security of our information to prevent loss of data.

Risks related to operations in foreign countries are mitigated by using only UK or EU registered charities operating in those jurisdictions but subject to UK and EU charitable and funding laws.

Trustees' Report
for the financial year ended 30 June 2022

Risk management (continued)

Other risks relate to engaging with UK registered charities under investigation by charities commission or demonstrating poor governance by late filing of documents. Prior to any funding being forwarded the charities commission website will be reviewed to confirm any ongoing investigation and/or late filing of documents. The charity will then be asked about these and unless satisfactory responses are received, funding will be withheld until the investigation is completed or documents are filed.

The trustees review the risks to which the charities are exposed on a regular basis and a risk management strategy is in place where by those risks are identified, the levels of risk is assessed and systems and controls for those risks are established. The trustees take all appropriate steps to moderate and manage the operational risks to which the assets of Euro Quality Foundation are exposed.

Having considered all identified risks the Trustees do not consider there to be a risk to the going concern status of the organisation.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the Foundation. Any connection between a trustee of the Foundation with any related organisation from which the Foundation avails of services or donations must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Euro Quality Lambs Limited, Europack Ltd and Grove Park Limited are considered related parties, due to the directors of these entities, being trustees of the Foundation. Related party transactions have been disclosed in note 18.

Taxation status

The Foundation is a registered Foundation, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Foundation's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Foundation is not registered for VAT and accordingly, all their expenditure is recorded inclusive of any VAT incurred.

Trustees

The Trustees are Mr SM Khalid, Mr Rizvan M Khalid and Mr M Nadeem Mansha.

Appointment of new trustees

New trustees are recruited by open recruitment by existing trustees to fulfil specific roles on the trustees' board. The potential trustee is then interviewed by the chairperson and secretary of the board regarding their willingness to become a trustee and their potential contribution to the Foundation is considered.

Trustees' Report

for the financial year ended 30 June 2022

Induction and training of trustees

The new trustee's induction and training are similar to those set out for any employees of the Foundation. They are given an overview of the aims, objectives and achievements, introduced to the Trustees, are provided with a copy of the Trust deed (which explains trustees' powers and responsibilities) and details of the recent financial performance of the Foundation. All new trustees meet with other existing trustees.

Funds held as custodian trustees on behalf of others

The Foundation holds no funds as custodian trustees on behalf of others.

Objectives and activities

The Trust's objectives are listed below. The Trust's primary activity is to liaise with and support the best performing charities in selected sectors but it will also undertake charitable activities directly if a need is established. The Foundation aims to become a knowledge hub and develop best practice guidelines for donors and recipients.

The objectives of the Foundation are as follows:

- To connect like-minded philanthropists;
- To provide guidelines & promote good-practice in Zakah calculation, collection & distribution;
- To assess and select recipient charities on the basis of sector involvement, urgency (need), professionalism and benefit to humanity;
- To build relationships with recipient charities;
- To assess and review performances of recipient charities in relation to donations made; and
- To offer recipient charities beneficial advice e.g. identification and exploitation of synergies.

Public Benefit Statement

"Public Benefit" is the legal requirement for every organisation set up with charitable aims to be able to demonstrate that the charity has been set up to meet this requirement. The Trustees confirm that they have had regard to the Foundation Commission for England and Wales' guidance on public benefit on reporting on the Charities benefits and achievements. The Trustees are confident that the activities have helped to achieve the Foundation's purposes and provide a benefit to the beneficiaries.

Trustees' Report

for the financial year ended 30 June 2022

Operating Review 2022

Achievements and performance

The Foundation has been operating since 2007. The trustees have continued to grant Qard Hasans as a means of funding capital-poor beneficiaries for the cost of income-generating programmes, which would then repay the Qard Hasans in time. Qard Hasan repayments are then recycled to help other charities & organisations to develop income-generating programmes in a similar manner.

Financial review

The Foundation paid out £627,585 (2021: £359,521) in direct donations and other expenses.

There is £860,562 (2021: £1,120,324) in cash at bank at the year end.

The net asset position as at 30 June 2022 is £1,578,562 (2021: £1,488,324).

Direct donations of £627,585 (2021: £359,521) are comprised of the following:

- £233,865 (2021: £208,566) for Social Welfare causes such as Private Ambulances, Orphans, Women Homes & Community Groups; and
- £393,720 (2021: £150,955) for Education

The Trustees consider that during the year good progress has been made against the Foundation's aims. The profitability of sponsoring corporates has enabled income to be maintained.

Plans for 2023

The Trustees' one-year plan is to strengthen its ties with existing charities and to engage with other philanthropist charities and foundations. It anticipates making a similar level of donations and grants next year.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 Foundation and of the incoming resources and application of resources of the Foundation for that period.

Trustees' Report

for the financial year ended 30 June 2022

Statement of trustees' responsibilities (continued)

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far the trustees are aware at the timing of approving our trustees' annual report:

- there is no relevant audit information of which the Foundation's auditor is 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 Foundation's auditor is aware of that information.

Independent auditors

Grant Thornton will be proposed for reappointment as auditors at the Trustee's meeting.

By order of the Board

M N Mansha
Trustee

Date: 27 October 2022

Grant Thornton

Independent Auditor's Report to the Trustees of Euro Quality Foundation

Opinion

We have audited the financial statements of Euro Quality Foundation ("the Foundation"), which comprise the Statement of Financial Activities, the Balance Sheet and Statement of Cash Flows for the financial year ended 30 June 2022, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Euro Quality Foundation's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the foundation's affairs as at 30 June 2022 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

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 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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 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 Foundation's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Grant Thornton

Independent Auditor's Report to the Trustees of Euro Quality Foundation

Conclusions relating to going concern (continued)

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

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon including the Trustee' Report. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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 in the financial statements, 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- The information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit.

Grant Thornton

Independent Auditor's Report to the Trustees of Euro Quality Foundation (continued)

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the trustees' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in UK, including FRS 102, and for such internal control as trustees determine 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, management is responsible for assessing the Foundation'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 management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

We have been appointed as auditors under section 145 of the Charites Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

The objectives of an auditor 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 an auditor's report that includes their 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 an auditor's 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 auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Independent Auditor's Report to the Trustees of Euro Quality Foundation (continued)

Responsibilities of the auditor for the audit of the financial statements (continued)

Based on our understanding of the Foundation, we identified that the principal risks of non-compliance with laws and regulations related to data protection and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charity Act 2011 and local tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappopriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment significant transactions, or incomplete/inaccurate disclosures in the financial statements.

In response to these principal risks, our audit procedures included but were not limited to:

- inquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- review of minutes of trustees' meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates and;
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

Independent Auditor's Report to the Trustees of Euro Quality Foundation (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008.

Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's 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 trustees of Euro Quality Foundation as a body, for our audit work, for this report, or for the opinions we have formed.



Jason Crawford (Senior Statutory Auditor)
For and on behalf of
Grant Thornton
Chartered Accountants &
Statutory Auditors
Dublin

27 October 2022

Statement of financial activities

for the financial year ended 30 June 2022

	NOTES	2022 Unrestricted £	2021 Unrestricted £
INCOMING RESOURCES			
Incoming resources from generated funds			
Donations and legacies	5	**699,878**	509,618
Activities for generating funds			
Investment income	5	**10,000**	6,998
Other income	5	**7,945**	303
Total incoming resources		**717,823**	516,919
RESOURCES EXPENDED			
Expenditure on charitable activities	7	**(627,585)**	(359,521)
Other expenditure	8	**-**	(192,000)
Total resources expended		**(627,585)**	(551,521)
Net incoming/(outgoing) resources		**90,238**	(34,602)
FUND BALANCES			
Fund balances brought forward at 1 July 2021		**1,488,324**	1,522,926
Fund balances carried forward at 30 June 2022	15	**1,578,562**	1,488,324

All amounts relate to continuing operations.

The notes on pages 17 to 23 form part of these financial statements.

Balance Sheet

As at 30 June 2022

	NOTES	2022 £	2021 £
FIXED ASSETS			
Investments	10	**460,000**	110,000
		460,000	110,000
CURRENT ASSETS			
Debtors	11	**265,000**	264,000
Cash at bank and in hand	12	**860,562**	1,120,324
		1,125,562	1,384,324
Creditor: amounts falling due within one year	13	**(7,000)**	(6,000)
Net current assets		**1,118,562**	1,378,324
Net assets		**1,578,562**	1,488,324
The funds of the Foundation			
Unrestricted income funds	15	**1,578,562**	1,488,324

The financial statements were approved by the Trustees and authorised for issue by the board on 27 October 2022.

Signed on behalf of the board:

S M Khalid
Trustee

R M Khalid
Trustee

M N Mansha
Trustee

The notes on pages 17 to 23 form part of these financial statements.

Statement of Cash Flows

As at 30 June 2022

	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net incoming/(outgoing) resources	**90,238**	(34,602)
Provision against debtors	**-**	192,000
Increase in debtors	**(1,000)**	(17,699)
Increase in creditors	**1,000**	1,000
Net cash generated from operating activities	**90,238**	140,699
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	**(350,000)**	(100,000)
Net cash utilised in investing activities	**(350,000)**	(100,000)
(Decrease)/increase in cash and cash equivalents during the year	**(259,762)**	40,699
Cash and cash equivalents at the beginning of the year	**1,120,324**	1,079,625
Cash and cash equivalents at the end of the year	**860,562**	1,120,324
Cash and cash equivalents at the end of the year comprise of		
Cash at bank and in hand	**860,562**	1,120,324

The charity has no debt and thus no reconciliation of net debt presented.

The notes on pages 17 to 23 form part of these financial statements.

Notes to the Financial Statements

for the financial year ended 30 June 2022

1. General information

Euro Quality Foundation is registered as a charity by HMRC, Foundation number XT5290. The Trustees and Secretary of the charity are listed on page 1. The principal and registered office of the charity is also listed on page 1 together with details of the professional advisers and bankers. The charity is registered with the Charities Commission of England & Wales under reference number 1119242.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with 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) (Charities SORP (FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Euro Quality Foundation meets the definition of a public entity. Assets and liabilities are initially recognised at historical cost and transaction value unless otherwise stated in the relevant accounting policy notes.

b) Incoming resources

Voluntary income

Income is included in the financial statements in the period in which it is received by the Foundation or when the Foundation is entitled to it.

Bank interest

The Foundation does not invest in account, which generate interest.

Ethical Income

Ethical income receivable is included in the financial statements in the period in which it is receivable by the Foundation.

c) Cash at bank and in hand

Cash at bank and in hand includes cash, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Notes to the Financial Statements

for the financial year ended 30 June 2022

2. Accounting policies (continued)

d) Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans advances are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

e) Investments

Investments in unlisted investments are classified as fixed assets investments as the Foundation intends to hold these on a long-term basis and are held at cost less annual impairment.

f) Financial instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and subsequently measured at their settlement value, unless the arrangement constitutes a financing transaction. Financing transactions are initially measured at the present value of the future receipts discounted at a market rate of interest, and are subsequently carried at amortised cost, using the effective interest rate method.

g) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable

Donations are recognised in the financial statements as liabilities after they have been approved by the trustees, even if there are conditions attached to them. This is because there is a valid expectation by the recipients that they will receive the grant. Where a donation is awarded for a period of greater than one year, future instalments of which are subject to satisfactory reports to the Trust, the future grant instalments are included in commitments but are not recognised in the financial statements until satisfactory reports are received. This is because the terms on which these grants are awarded do not create a valid expectation of receipt until the Trust's Trustees are satisfied with the reports received on the use made of the previous year's instalments.

Governance costs

Governance costs are the costs associated with the governance arrangements of the Foundation, which relate to the general running of the Foundation as opposed to those costs associated with fundraising or charitable activity.

Notes to the Financial Statements
for the financial year ended 30 June 2022

2. Accounting policies (continued)

Pension costs

The Foundation does not operate a pension scheme, and its trustees receive no remuneration.

h) Unrestricted funds

Unrestricted funds are amounts, which are expendable at the discretion of the trustees in furtherance of the aims of the Trust.

3. Critical accounting judgements and estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

In the process of applying the accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognised in the financial statements:

(a) Impairment of loan advances

Provisions are made for specific and groups of accounts, where objective evidence of impairment exists. The Foundation evaluates these accounts based on available facts and circumstances, including, but not limited to, the length of the relationship with the Foundation, the Foundation credit status based on known market forces, average age of accounts, collection experience and historical loss experience.

4. Net incoming/(outgoing) resources

Net incoming/(outgoing) resources is stated after charging:

	2022 £	2021 £
Auditor's remuneration	**1,000**	1,000

Notes to the Financial Statements

for the financial year ended 30 June 2022

5. Incoming resources

	Unrestricted funds 2022 £	Total 2022 £
Incoming resources from generated funds		
Donations from related parties	**686,711**	**686,711**
Other donations	**13,167**	**13,167**
Total income relating to fundraising	**699,878**	**699,878**
Activities for generating funds		
Investment income	**10,000**	**10,000**
Other income	**7,945**	**7,946**
Total income from generating funds	**17,945**	**17,946**
Total incoming resources	**717,823**	**717,824**

	Unrestricted funds 2021 £	Total 2021 £
Incoming resources from generated funds		
Donations from related parties	500,000	500,000
Other donations	9,618	9,618
Total income relating to fundraising	509,618	509,618
Activities for generating funds		
Investment income	6,998	6,998
Other income	303	303
Total income from generating funds	7,301	7,301
Total incoming resources	516,919	516,919

6 Analysis of staff costs, trustee remuneration, expenses and the cost of key management personnel.

	2022 Number	2021 Number
The number of trustees at the end of the year	**3**	3

None of the trustees received remuneration during the year (2021: £Nil) and the Foundation had no employees (2021: £Nil) or salary costs. No expenses have been paid to the trustees during the year (2021: £Nil). There is no professional indemnity insurance taken out on behalf of the Trustees (2021: £Nil).

7 Expenditure on charitable activities

	Emergency & Healthcare £ Unrestricted	Education & Training £ Unrestricted	Social Community Welfare £ Unrestricted	2022 £ Unrestricted	2021 £ Unrestricted
Donations	100,075	393,720	133,790	**627,585**	359,521

Notes to the Financial Statements

for the financial year ended 30 June 2022

8. Other expenditure

	2022 £ Unrestricted	2021 £ Unrestricted
Impairment of loan advances	-	192,000

9 Taxation

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in the furtherance of the Foundation's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Foundation is not registered for VAT and accordingly, all their expenditure is recorded inclusive of any VAT incurred.

10 Investments

Company	Unlisted Investments £
Cost and net book value	
At 1 July 2021	110,000
Additions	350,000
At 30 June 2022	**460,000**

These long-term investments are held in the United Kingdom and exist primarily to provide an investment return for the charity.

11 Debtors

	2022 £	2021 £
Loan advances (including Qard Hasans)	**265,000**	264,000

The charity recorded a provision of £Nil (2021: £192,000) during the year against the loan advances.

12 Cash and cash equivalents

	2022 £	2021 £
Cash and cash equivalents	**860,562**	1,120,324

Notes to the Financial Statements

for the financial year ended 30 June 2022

13 Creditors: amounts falling due within one year

	2022	2021
	£	£
Accruals	**7,000**	6,000

14 Financial commitment

At 30 June 2022 the Foundation had no financial commitments (2021: £Nil).

15 Unrestricted funds

Group	Balance 1 July 2021	Incoming funds	Outgoing funds	Transfer between funds	Balance 30 June 2022
	£	£	£	£	£
General funds	1,488,324	717,823	(627,585)	-	**1,578,562**
	1,488,324	**717,823**	**(627,585)**	**-**	**1,578,562**

16 Analysis of net assets between funds

2022	Unrestricted funds	Total funds
	£	£
Investments	**460,000**	**460,000**
Current assets	**1,125,562**	**1,125,562**
Creditors: falling due after more than one year	**(7,000)**	**(7,000)**
	1,578,562	**1,578,562**

2021	Unrestricted funds	Total funds
	£	£
Investments	110,000	110,000
Net current assets	1,384,324	1,384,324
Creditors: falling due after more than one year	(6,000)	(6,000)
	1,488,324	1,488,324

17 Ultimate controlling party

The trustees are deemed the ultimate controlling party due to their position within the Foundation.

Notes to the Financial Statements

for the financial year ended 30 June 2022

18 Related party disclosures

The Foundation received £650,000 (2021: £500,000) from Euro Quality Lambs Limited. Euro Quality Lambs Limited is defined as a related party under FRS 102 as two of the trustees of Euro Quality Foundation are also directors of Euro Quality Lambs Limited.

The Foundation received £9,400 (2021: £Nil) from Europack Ltd. Europack Ltd is defined as a related party under FRS 102 as one of the trustees of Euro Quality Foundation is also a director of Europack Ltd.

EURO QUALITY FOUNDATION

England & Wales - Charity number 1119242

Accounts

Euro Quality Foundation

Financial Statements

for the financial year ended 30 June 2021

Registered number: 1119242

Euro Quality Foundation

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Euro Quality Foundation

Reference and Administrative Information

Trustees	S M Khalid (Chairman) R M Khalid M N Mansha
Registered Office	Euro House Dale Street Craven Arms Shropshire SY7 9PA
Solicitors	JMW Solicitors LLP 1 Byrom Place Manchester M3 3HG
Bankers	Al Rayan Bank PLC 394 Coventry Road Small Heath Coventry Road Birmingham B10 OUF
Independent Auditors	Grant Thornton 13-18 City Quay Dublin 2 Ireland DO2 ED70

Trustees' Report

for the financial year ended 30 June 2021

The Trustees submit their Annual Report and audited financial statements of the Foundation for the year ended 30 June 2021. The Trustees have adopted the provisions of the 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) — (Charities SORP (FRS 102), in preparing the annual report and financial statements of the Foundation.

This report sets out the Foundation's aims, objectives and policies as had been developed by the Trustees during the initial years of operation and should be seen as ever evolving. The overall remit of the Trustees is to engage in activities that benefit humanity.

Reference and administrative information

Euro Quality Foundation is registered as a charity by HMRC, Foundation number XT5290. The Trustees and Secretary of the charity are listed on page 1. The principal and registered office of the charity is also listed on page 1 together with details of the professional advisers and bankers. The charity is registered with the Charities Commission of England & Wales under reference number 1119242.

Structure, governance and management

Constitution

The Foundation is governed by a Trust Deed duly executed on 19 February 2007 (as amended on 26 June 2017). These lay out the principles by which the Trustees can govern the Trust.

Registration

The Foundation is registered with the Charities Commission (registration number 1119242) and with HMRC (XT5290).

Ultimate Aim

The ultimate aim is to efficiently distribute wealth in order to eliminate poverty and social injustice and promote educational learning and tolerance worldwide.

The Foundation aims to make a difference by contributing funding and guidance to such good causes that otherwise lack funding to perform its objective effectively. This meets the charitable object of applying income for or towards any charitable purposes, the trustees think fit.

It does this in a number of ways

- Engaging with like-minded philanthropists to assess and address societal issues such as poverty, economic empowerment, social injustice, lack of access to education and lack of tolerance between communities;

Trustees' Report

for the financial year ended 30 June 2021

Ultimate Aim (continued)

- Funding and engaging directly with charities that address such societal issues; and
- Funding and engaging with organisations that advance religious practice, tolerance, understanding and learning.

Funding can be in the form of direct donations or interest-free loans. The effectiveness of funding is discussed and assessed at annual trustee meetings.

Mission Statement

"To provide a mechanism by which charitable donations can be efficiently amassed and effectively distributed in accordance with Islamic principles".

Background

Euro Quality Foundation has been established as a Philantropy Fund. Similar to the way in which an Investment Fund operates by pooling funds to maximise returns for its stakeholders, a Philantropy Fund pools donations from various sources to maximise the efficiency and effectiveness of their donations.

Zakah

Zakah is an obligatory charity on Muslims who possess Net Wealth. Net Wealth can loosely be defined as the value of non-essential assets over and beyond the payer's immediate and necessary liabilities. Zakah is then calculated as an (Islamic) annual rate of 2.5% of this amount. Euro Quality Foundation provides a mechanism by which individuals and businesses can learn about and fulfil their Zakah obligations.

Operating Policy

The Foundation will conduct itself and its activities in an ethical and transparent manner. Policies may be changed or adapted to further the Foundations objectives.

Donation & Grant making policy

The Foundation works with registered charities. Each application is considered on its own merits. It expects full accountability, transparency and progress reports from recipients for any donations made with ongoing reviews to monitor performance and results against expectations. The following sectors take precedence:

- Global Emergency Situations,
- Poverty Relief;
- Sustainable Living;
- Social Projects;

Trustees' Report

for the financial year ended 30 June 2021

Donation & Grant making policy (continued)

- Medical Needs; and
- Education

Since inception, the Foundation has made a number of donations to UK registered charities selected on their ability to provide poverty relief, combat social injustice and promote education and tolerance. Working with a smaller pool of charities has enabled the Trustees to start building relationships and increase the effectiveness of the donations.

Reserves policy

The Foundation has unrestricted funds, which are not committed or invested in tangible fixed assets or designated for specific purposes ("the free reserves"), and are retained to meet the future requirements of the Foundation. The Foundation has emergency reserves of £10,000 (2020: £10,000) in the event of the Foundation being wound up. The Foundation's policy is to retain a level of unrestricted reserves, which meets the needs of the Foundation both at the current time and in the foreseeable future. The Trustees are of the opinion that this amount remains, to be distributed for unexpected costs. This will not be static, will be held on a discretionary basis and is reviewed annually by the trustees.

Investment policy

The Foundation only invests in ethical investments. The trustees continually monitor investments and returns for ethical compliance criteria. The trustees will initiate new forms of ethical investments if they believe it enhances the returns for the Foundation whilst balancing financial commitments, constraints, reserves and liquidity requirements. In particular, the Foundation will only invest in riba-free (non-usury) and shariah-compliant investments.

Organisation

The Trustees meet on a regular basis to discuss potential donations to and from the Foundation alongside any other issues, with a formal meeting occurring annually. The Trustees use personal contacts to obtain external advice on a needs basis and to keep administration costs down. The Trustees do not charge for their time or their expenses.

Risk management

Major risks, which have been identified and discussed by the trustees include loss of funding due to poor profitability of the sponsoring corporate companies and loss of reputation, perhaps due to adverse publicity, leading to a fall in public confidence in the Foundation and a consequent reduction in other income. Further risks include the ability to ensure sufficient funding going forward in light of decline in public spending. There are also risks associated with maintaining the highest security of our information to prevent loss of data.

Risks related to operations in foreign countries are mitigated by using only UK or EU registered charities operating in those jurisdictions but subject to UK and EU charitable and funding laws.

Trustees' Report
for the financial year ended 30 June 2021

Risk management (continued)

Other risks relate to engaging with UK registered charities under investigation by charities commission or demonstrating poor governance by late filing of documents. Prior to any funding being forwarded the charities commission website will be reviewed to confirm any ongoing investigation and/or late filing of documents. The charity will then be asked about these and unless satisfactory responses are received, funding will be withheld until the investigation is completed or documents are filed.

The trustees review the risks to which the charities are exposed on a regular basis and a risk management strategy is in place where by those risks are identified, the levels of risk is assessed and systems and controls for those risks are established. The trustees take all appropriate steps to moderate and manage the operational risks to which the assets of Euro Quality Foundation are exposed.

Having considered all identified risks the Trustees do not consider there to be a risk to the going concern status of the organisation.

Covid-19

Covid-19 has naturally impacted the Operations of the Foundation. While the pandemic does create a level of uncertainty for the Foundation due to the macro-economic challenges arising, the Board and management have an appropriate response plan in place and have taken proactive measures to mitigate the risks.

Related parties and co-operation with other organisations

None of our trustees receives remuneration or other benefit from their work with the Foundation. Any connection between a trustee of the Foundation with any related organisation from which the Foundation avails of services or donations must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Euro Quality Lambs Limited, Europack Ltd and Grove Park Limited are considered related parties, due to the directors of these entities, being trustees of the Foundation. Related party transactions have been disclosed in note 13.

Taxation status

The Foundation is a registered Foundation, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Foundation's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Foundation is not registered for VAT and accordingly, all their expenditure is recorded inclusive of any VAT incurred.

Trustees

The Trustees are Mr SM Khalid, Mr Rizvan M Khalid and Mr M Nadeem Mansha.

Trustees' Report

for the financial year ended 30 June 2021

Appointment of new trustees

New trustees are recruited by open recruitment by existing trustees to fulfil specific roles on the trustees' board. The potential trustee is then interviewed by the chairperson and secretary of the board regarding their willingness to become a trustee and their potential contribution to the Foundation is considered.

Induction and training of trustees

The new trustee's induction and training are similar to those set out for any employees of the Foundation. They are given an overview of the aims, objectives and achievements, introduced to the Trustees, are provided with a copy of the Trust deed (which explains trustees' powers and responsibilities) and details of the recent financial performance of the Foundation. All new trustees meet with other existing trustees.

Funds held as custodian trustees on behalf of others

The Foundation holds no funds as custodian trustees on behalf of others.

Objectives and activities

The Trust's objectives are listed below. The Trust's primary activity is to liaise with and support the best performing charities in selected sectors but it will also undertake charitable activities directly if a need is established. The Foundation aims to become a knowledge hub and develop best practice guidelines for donors and recipients.

The objectives of the Foundation are as follows:

- To connect like-minded philanthropists;
- To provide guidelines & promote good-practice in Zakah calculation, collection & distribution;
- To assess and select recipient charities on the basis of sector involvement, urgency (need), professionalism and benefit to humanity;
- To build relationships with recipient charities;
- To assess and review performances of recipient charities in relation to donations made; and
- To offer recipient charities beneficial advice e.g. identification and exploitation of synergies.

Public Benefit Statement

"Public Benefit" is the legal requirement for every organisation set up with charitable aims to be able to demonstrate that the charity has been set up to meet this requirement. The Trustees confirm that they have had regard to the Foundation Commission for England and Wales' guidance on public benefit on reporting on the Charities benefits and achievements. The Trustees are confident that the activities have helped to achieve the Foundation's purposes and provide a benefit to the beneficiaries.

Trustees' Report

for the financial year ended 30 June 2021

Operating Review 2021

Achievements and performance

The Foundation has been operating since 2007. The trustees have continued to grant Qard Hasans as a means of funding capital-poor beneficiaries for the cost of income-generating programmes, which would then repay the Qard Hasans in time. Qard Hasan repayments are then recycled to help other charities & organisations to develop income-generating programmes in a similar manner.

Financial review

The Foundation paid out £359,521 (2020: £487,520) in direct donations and other expenses.

There is £1,120,324 (2020: £1,079,625) in cash at bank at the year end.

The net asset position as at 30 June 2021 is £1,488,324 (2020: £1,522,926).

Direct donations of £359,521 (2020: £487,520) are comprised of the following:

- £208,566 (2020: £293,910) Social Welfare causes such as Private Ambulances, Orphans, Women Homes & Community Groups; and
- £150,955 (2020: £193,610) for Education

The Trustees consider that during the year good progress has been made against the Foundation's aims. The profitability of sponsoring corporates has enabled income to be maintained. A conscious decision has been made to reduce the amount of Qard Hasans being offered due to some recipients being slower in repaying the Qard Hasans in line with the original agreed repayment terms. This will be reassessed as Qard Hasan repayments are received.

Plans for 2022

The Trustees' one-year plan is to strengthen its ties with existing charities and to engage with other philanthropist charities and foundations. It anticipates making a similar level of donations and grants next year.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Trustees' Report

for the financial year ended 30 June 2021

Statement of trustees' responsibilities (continued)

The law applicable to charities in England and Wales 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 Foundation and of the incoming resources and application of resources of the Foundation for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far the trustees are aware at the timing of approving our trustees' annual report:

- there is no relevant audit information of which the Foundation's auditor is 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 Foundation's auditor is aware of that information.

Independent auditors

Grant Thornton will be proposed for reappointment as auditors at the Trustee's meeting.

By order of the Board

M N Mandla
Trustee

Date:

Grant Thornton

Independent Auditor's Report to the Trustees of Euro Quality Foundation

Opinion

We have audited the financial statements of Euro Quality Foundation ("the Foundation"), which comprise the Statement of Financial Activities, the Balance Sheet and Statement of Cash Flows for the financial year ended 30 June 2021, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Euro Quality Foundation's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 30 June 2021 and of incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

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 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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 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 charity's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report to the Trustees of Euro Quality Foundation

Conclusions relating to going concern (continued)

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

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon including the Trustee' Report. The trustees are responsible for the other information. 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 in the financial statements, 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- The information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit.

Grant Thornton

Independent Auditor's Report to the Trustees of Euro Quality Foundation (continued)

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the trustees' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in UK, including FRS 102, and for such internal control as they determine 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, management is responsible for assessing the Foundation'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 management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

We have been appointed as auditors under section 145 of the Charites Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

The objectives of an auditor 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 an auditor's report that includes their 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 an auditor's 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 auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, - that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Grant Thornton

Independent Auditor's Report to the Trustees of Euro Quality Foundation (continued)

Responsibilities of the auditor for the audit of the financial statements (continued)

Based on our understanding of the Foundation, we identified that the principal risks of non-compliance with laws and regulations related to data protection and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charity Act 2011 and local tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappopriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment significant transactions, or incomplete/inaccurate disclosures in the financial statements.

In response to these principal risks, our audit procedures included but were not limited to:

- inquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- review of minutes of directors' meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates and;
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

Independent Auditor's Report to the Trustees of Euro Quality Foundation (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's 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 trustees of Euro Quality Foundation as a body, for our audit work, for this report, or for the opinions we have formed.

Jason Crawford (Senior Statutory Auditor)
For and on behalf of
Grant Thornton
Chartered Accountants &
Statutory Auditors
Dublin

Date

Statement of financial activities

for the financial year ended 30 June 2021

	NOTES	2021 Unrestricted £	2020 Unrestricted £
INCOMING RESOURCES			
Incoming resources from generated funds			
Donations and legacies	5	**509,618**	583,470
Activities for generating funds			
Investment income	5	**6,998**	5,175
Other income	5	**303**	7,237
Total incoming resources		**516,919**	595,882
RESOURCES EXPENDED			
Expenditure on charitable activities	7	**(359,521)**	(487,520)
Other expenditure	8	**(192,000)**	(30,437)
Total resources expended		**(551,521)**	(517,957)
Net (outgoing)/incoming resources		**(34,602)**	77,925
FUND BALANCES			
Fund balances brought forward at 1 July 2020		**1,522,926**	1,445,001
Fund balances carried forward at 30 June 2021	15	**1,488,324**	1,522,926

All amounts relate to continuing operations.

The notes on pages 17 to 23 form part of these financial statements.

Balance Sheet

As at 30 June 2021

	NOTES	2021 £	2020 £
FIXED ASSETS			
Investments	10	**110,000**	10,000
		110,000	10,000
CURRENT ASSETS			
Debtors	11	**264,000**	438,301
Cash at bank and in hand	12	**1,120,324**	1,079,625
		1,384,324	1,517,926
Creditor: amounts falling due within one year	13	**(6,000)**	(5,000)
Net current assets		**1,378,324**	1,512,926
Net assets		**1,488,324**	1,522,926
The funds of the Foundation			
Unrestricted income funds	15	**1,488,324**	1,522,926

The financial statements were approved by the Trustees and authorised for issue by the board on

Signed on behalf of the board:

S M Khalid
Trustee

R M Khalid
Trustee

M N Mansha
Trustee

The notes on pages 17 to 23 form part of these financial statements.

Euro Quality Foundation

Statement of Cash Flows

As at 30 June 2021

	2021	2020
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (outgoing)/incoming resources	**(34,602)**	77,925
Provision against debtors	**192,000**	30,437
(Increase)/decrease in debtors	**(17,699)**	9,700
Increase in creditors	**1,000**	1,000
Net cash generated from operating activities	**140,699**	119,062
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	**(100,000)**	(10,000)
Net cash utilised in investing activities	**(100,000)**	(10,000)
Increase in cash and cash equivalents during the year	**40,699**	109,062
Cash and cash equivalents at the beginning of the year	**1,079,625**	970,563
Cash and cash equivalents at the end of the year	**1,120,324**	1,079,625
Cash and cash equivalents at the end of the year comprise of		
Cash at bank and in hand	**1,120,324**	1,079,625

The charity has no debt and thus no reconciliation of net debt presented.

The notes on pages 17 to 23 form part of these financial statements.

Notes to the Financial Statements

for the financial year ended 30 June 2021

1. General information

Euro Quality Foundation is registered as a charity by HMRC, Foundation number XT5290. The Trustees and Secretary of the charity are listed on page 1. The principal and registered office of the charity is also listed on page 1 together with details of the professional advisers and bankers. The charity is registered with the Charities Commission of England & Wales under reference number 1119242.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with 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) (Charities SORP (FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Euro Quality Foundation meets the definition of a public entity. Assets and liabilities are initially recognised at historical cost and transaction value unless otherwise stated in the relevant accounting policy notes.

b) Incoming resources

Voluntary income

Income is included in the financial statements in the period in which it is received by the Foundation or when the Foundation is entitled to it.

Bank interest

The Foundation does not invest in account, which generate interest.

Ethical Income

Ethical income receivable is included in the financial statements in the period in which it is receivable by the Foundation.

c) Cash at bank and in hand

Cash at bank and in hand includes cash, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. Accounting policies (continued)

d) Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans advances are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

e) Investments

Investments in unlisted investments are classified as fixed assets investments as the Foundation intends to hold these on a long-term basis and are held at cost less annual impairment.

f) Financial instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and subsequently measured at their settlement value, unless the arrangement constitutes a financing transaction. Financing transactions are initially measured at the present value of the future receipts discounted at a market rate of interest, and are subsequently carried at amortised cost, using the effective interest rate method.

g) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable

Donations are recognised in the financial statements as liabilities after they have been approved by the trustees, even if there are conditions attached to them. This is because there is a valid expectation by the recipients that they will receive the grant. Where a donation is awarded for a period of greater than one year, future instalments of which are subject to satisfactory reports to the Trust, the future grant instalments are included in commitments but are not recognised in the financial statements until satisfactory reports are received. This is because the terms on which these grants are awarded do not create a valid expectation of receipt until the Trust's Trustees are satisfied with the reports received on the use made of the previous year's instalments.

Governance costs

Governance costs are the costs associated with the governance arrangements of the Foundation, which relate to the general running of the Foundation as opposed to those costs associated with fundraising or charitable activity.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. Accounting policies (continued)

Pension costs

The Foundation does not operate a pension scheme, and its trustees receive no remuneration.

h) Unrestricted funds

Unrestricted funds are amounts, which are expendable at the discretion of the trustees in furtherance of the aims of the Trust.

3. Critical accounting judgements and estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

In the process of applying the accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognised in the financial statements:

(a) Impairment of loan advances

Provisions are made for specific and groups of accounts, where objective evidence of impairment exists. The Foundation evaluates these accounts based on available facts and circumstances, including, but not limited to, the length of the relationship with the Foundation, the Foundation credit status based on known market forces, average age of accounts, collection experience and historical loss experience.

4. Net (outgoing)/incoming resources

Net (outgoing)/incoming resources is stated after charging:

	2021	2020
	€	€
Auditor's remuneration	**1,000**	1,000

Notes to the Financial Statements

for the financial year ended 30 June 2021

5. Incoming resources

	Unrestricted funds 2021 £	Total 2021 £
Incoming resources from generated funds		
Donations from related parties (see note 18)	**500,000**	**500,000**
Other donations	**9,618**	**9,618**
Total income relating to fundraising	**509,618**	**509,618**
Activities for generating funds		
Investment income	**6,998**	**6,998**
Other income	**303**	**303**
Total income from generating funds	**7,301**	**7,301**
Total incoming resources	**516,919**	**516,919**

	Unrestricted funds 2020 £	Total 2020 £
Incoming resources from generated funds		
Donations from related parties (see note 18)	510,000	510,000
Other donations	73,470	73,470
Total income relating to fundraising	583,470	583,470
Activities for generating funds		
Investment income	5,175	5,175
Other income	7,237	7,237
Total income from generating funds	12,412	12,412
Total incoming resources	595,882	595,882

6 Analysis of staff costs, trustee remuneration, expenses and the cost of key management personnel.

	2021 Number	2020 Number
The number of trustees at the end of the year	**3**	3

None of the trustees received remuneration during the year (2020: £Nil) and the Foundation had no employees (2020: £Nil) or salary costs. No expenses have been paid to the trustees during the year (2020: £nil). There is no professional indemnity insurance taken out on behalf of the Trustees (2020: £nil).

7 Expenditure on charitable activities

	Emergency & Healthcare £ Unrestricted	Education & Training £ Unrestricted	Social Community Welfare £ Unrestricted	2021 £ Unrestricted	2020 £ Unrestricted
Donations	68,161	150,955	140,405	**359,521**	487,520

Notes to the Financial Statements

for the financial year ended 30 June 2021

8. Other expenditure

	2021 £ Unrestricted	2020 £ Unrestricted
Impairment of loan advances	**192,000**	30,437

9 Taxation

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in the furtherance of the Foundation's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Foundation is not registered for VAT and accordingly, all their expenditure is recorded inclusive of any VAT incurred.

10 Investments

Company	Unlisted Investments £
Cost and net book value	
At 1 July 2020	10,000
Additions	100,000
At 30 June 2021	**110,000**

These long- term investments are held in the United Kingdom and exist primarily to provide an investment return for the charity.

11 Debtors

	2021 £	2020 £
Loan advances (including Qard Hasans)	**264,000**	438,301

The charity recorded a provision of £192,000 (2020: £30,437) during the year against the loan advances.

12 Cash and cash equivalents

	2021 £	2020 £
Cash and cash equivalents	**1,120,324**	1,079,625

Notes to the Financial Statements

for the financial year ended 30 June 2021

13 Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals	**6,000**	5,000

14 Financial commitment

At 30 June 2021 the Foundation had no financial commitments (2020: £Nil).

15 Unrestricted funds

Group	Balance 1 July 2020	Incoming funds	Outgoing funds	Transfer between funds	Balance 30 June 2021
	£	£	£	£	£
General funds	1,522,926	516,919	(551,521)	-	**1,488,324**
	1,522,926	**516,919**	**(551,521)**	**-**	**1,488,324**

16 Analysis of net assets between funds

2021	Unrestricted funds	Total funds
	£	£
Investments	**110,000**	**110,000**
Net current assets	**1,378,324**	**1,378,324**
Creditors: falling due after more than one year	**(6,000)**	**(6,000)**
	1,488,324	**1,488,324**

2020	Unrestricted funds	Total funds
	£	£
Investments	**10,000**	**10,000**
Net current assets	**1,517,926**	**1,517,926**
Creditors: falling due after more than one year	**(5,000)**	**(5,000)**
	1,522,926	**1,522,926**

17 Ultimate controlling party

The trustees are deemed the ultimate controlling party due to their position within the Foundation.

Notes to the Financial Statements

for the financial year ended 30 June 2021

18 Related party disclosures

The Foundation received £500,000 (2020: £500,000) from Euro Quality Lambs Limited. Euro Quality Lambs Limited is defined as a related party under FRS 102 as two of the trustees of Euro Quality Foundation are also directors of Euro Quality Lambs Limited.

The Foundation received £Nil (2020: £5,000) from Europack Ltd. Europack Ltd is defined as a related party under FRS 102 as one of the trustees of Euro Quality Foundation is also a director of Europack Ltd.

The Foundation received £Nil (2020: £5,000) from Grove Park Limited. Grove Park Limited is defined as a related party under FRS 102 as one of the trustees of Euro Quality Foundation is also a director of Grove Park Limited.