

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
THE MARKFIELD INSTITUTE OF HIGHER
EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**THE MARKFIELD INSTITUTE OF HIGHER
EDUCATION**

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For The Year Ended 31 December 2021**

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**THE MARKFIELD INSTITUTE OF HIGHER
EDUCATION**

**REFERENCE AND ADMINISTRATIVE DETAILS
For The Year Ended 31 December 2021**

TRUSTEES

Mr F S Murad
Prof K Ahmad
Mr S M Ahmad
Dr M Ahsan
Dr M Ruby
Mr M T Abdullah

REGISTERED OFFICE

Ratby Lane
Markfield
Leicester
Leicestershire
LE67 9SY

REGISTERED COMPANY NUMBER

06471324 (England and Wales)

REGISTERED CHARITY NUMBER

1125851

AUDITORS

Fortus Audit LLP
Chartered Accountants & Statutory Auditor
31 High View Close
Hamilton Office Park
Leicester
Leicestershire
LE4 9LJ

**THE MARKFIELD INSTITUTE OF HIGHER
EDUCATION**

**REPORT OF THE TRUSTEES
For The Year Ended 31 December 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Markfield Institute of Higher Education (MIHE) was established in September 2000, with the objective of conducting research, providing professional development courses, and validated higher educational programmes in Islamic subjects.

The Institute, like other universities, is regulated by the Office for Students since registering with it in March 2019. It is accredited by the British Accreditation Council (BAC) and reviewed by the Quality Assurance Agency for Higher Education. MIHE also holds a UKVI Student Route (Tier 4) and Skilled Worker (Tier 2) Sponsor Status to recruit students from overseas as well as staff.

Significant activities

The Institute offers undergraduate and postgraduate programmes, validated by Newman University, in Islamic Studies, Islamic Education, Islamic Banking and Finance, Islam and Sustainable Development, and Islam and Pastoral Care/Chaplaincy. Its key activities include teaching and learning, research and scholarly activities, and community engagement activities. These activities are aimed to equip students with knowledge and academic skills that would enable them to become specialists, pursue professional careers, as well becoming responsible citizens, who can make a valuable social and economic contribution to society. During 2020-21 academic year, 71 students graduated from the Institute from its different courses. In addition, the Institute delivered a number of short executive programmes and research seminars.

Public benefit

The Institute, through its governing body, the Board of Directors, is aware of its responsibilities as a charity to act for the public benefit across all of its activities and has had due regard to the latest version of the Charity Commission's public benefit guidance. The Institute endeavours to advance education and knowledge in Islamic disciplines through learning and teaching, scholarship and research for the benefit of individuals and society. It contributes to the development of professionals and scholars who have a broader, deeper and critical understanding of Islam in the contemporary world. Such scholars would be better equipped to promote understanding and social cohesion amongst the diverse communities in society, and analyse theological, social, economic and educational problems faced by contemporary societies and offer creative solutions to address these.

To develop competent graduates, the Institute combines the richness and high standards of traditional and contemporary Islamic scholarship with contemporary cutting-edge research methods, academic rigour and critical analysis. We strive to ensure that our graduates leave with mastery of a discipline, critical thinking, conceptual reasoning and analytical skills, as well as advanced written and verbal communication skills, and a personal commitment to ethical and professional principles and standards.

We are committed to being an open higher education institution that proactively seeks out people capable of benefiting from higher education, minimises barriers to their participation and contributes to the expansion of higher education opportunities, nationally and internationally. The Institute provided a limited number of scholarships and bursaries to help those students with a track record of outstanding academic performance and a strong sense of purpose, or to help those students who might not be able to enter into higher education without such financial support.

**THE MARKFIELD INSTITUTE OF HIGHER
EDUCATION**

**REPORT OF THE TRUSTEES
For The Year Ended 31 December 2021**

STRATEGIC REPORT

Achievement and performance

Engagement with staff

During 2021, the Institute employed six female and eight male staff members from diverse backgrounds. Staff engagement, contribution and development is valued and seen as important in the delivery of our strategy. We are committed to professional values and endeavour to create an inclusive culture, where all staff are able to contribute to the development of the Institute and are supported in their work. All staff are engaged in regular consultations related to strategy and operational matters. Through a range of committees and communication methods, staff provide input into shaping the priorities and direction of the Institute. Relevant staff development and training is encouraged to ensure effective performance, quality of teaching and operations, and the maintenance of academic and administrative standards. Staff development opportunities are provided through a number of in-house staff training sessions during the year, as well as support staff in taking development and training courses with external bodies. Academic staff are allocated time in their workload models to engage in scholarly and research activities.

Engagement with students

Our students are a valued part of our community, and we are committed to ensuring that they have the best learning experience possible while studying with us. Students are supported in their academic work through a number of methods, and provided access to a range of services including welfare services to assist them in their everyday issues while studying at the Institute. Their feedback at the module, course and institution-wide levels are captured through a range of methods, which facilitate ongoing enhancements and changes. The Students' Council coordinates and represents the students' voice at the Academic Board. Our students appear to be satisfied with the education they are receiving and with the learning environment provided by the Institute. We obtained highly positive feedback from our students via the National Students' Survey (NSS) in 2021. Cited below are the key results from the 2021 NSS report for the Markfield Institute.

" 89% were satisfied with the teaching of their programme

" 87% were satisfied with the learning opportunities provided

" 75% were satisfied with their assessments and feedback obtained

" 80% were satisfied with the academic support provided

" 73% were satisfied with the learning resources provided to support their studies

" 81% were satisfied with the organisation and management of their course

" 81 % of students that responded agreed with the statement "Overall, I am satisfied with the quality of the course"

Financial review

Financial position

This financial year the organisation has recorded an 'in year' surplus in unrestricted funds of £366,129 (2020: £41,257). The increase in surplus is mainly due to a donation of a property from Long Ditton Trust valued at £250,000, large donation of £91k from Long Ditton Trust and a general increase of £91k in the income from course fees.

Reserves policy

The charity had unrestricted reserves of £397,911 as at 31 December 2021. The charity does not hold any free reserves. The charity's reserves policy aims to accumulate free reserves equivalent to three months of running costs over the next five years. The trustees have two purposes for the accumulation of operating reserves:

1. To finance the development of new or existing services.
2. To enable the organisation to be wound up if necessary.

**THE MARKFIELD INSTITUTE OF HIGHER
EDUCATION**

**REPORT OF THE TRUSTEES
For The Year Ended 31 December 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

During 2019-20 academic year, a governance review of the Institute with the help of an external consultant was completed. This review resulted in making minor changes to the academic governance committee structure, and these have been reflected in the Bye-laws and in the terms of reference of the Management Board, Academic Board and academic committee structures.

Recruitment and appointment of new trustees

The Board of Trustees is responsible for the recruitment of new trustees. In seeking new trustees, the Institute identifies experienced individuals in the education, legal, charity and/or religious education sector and/or people with a tested track record of business management or public/community services.

Organisational structure

The Board of Trustees is responsible for approving the strategy, budget, academic plans, quality assurance and Prevent Duty plans and annual reports, and has oversight of all aspects of the Institute's academic operations. The Board approves the appointment of the Academic Board, Finance and HR Committee, and the Management Board to manage the affairs of the Charity. The Board meets three times a year to consider the performance of the charity and respond to emerging issues and risks. The Rector is accountable to the Board and is responsible for implementing the decisions of the Board of Trustees.

Induction and training of new trustees

Trustees are introduced to their new role upon appointment. The resources available at the Charity Commission's website are introduced so that they can familiarise with their duties and responsibilities.

Key management remuneration

The Board of Trustees is responsible for setting the remuneration package of the Rector, Dr Zahid Parvez. The remuneration package is reviewed annually.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The OfS requires the Institute to produce a Student Protect Plan that highlights key risks facing the Institute and mitigation measures. This plan is available on our website and highlights the following eight risks and the measures we have put in place to mitigate these.

- " Withdrawal or non-renewal of validation
- " Designation withdrawal, suspension or not successfully renewed (which allows students from England to apply for tuition fees and maintenance loans)
- " Change of programme content and policies
- " Closure of an individual programme
- " Removal of Students Route (Tier 4) Sponsor Licence (which would affect international students)
- " Closure/change of current location
- " Key staff leaving
- " Continuing operations in face of pandemics and natural disasters
- " Closure of the Institute

The Institute's principle asset is amounts receivable from students. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Institute has no significant concentration of credit risk with exposure spread over a large number of carefully selected students.

**THE MARKFIELD INSTITUTE OF HIGHER
EDUCATION**

**REPORT OF THE TRUSTEES
For The Year Ended 31 December 2021**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Fortus Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 23 June 2022 and signed on the board's behalf by:

M. M. Ahsan

Dr M Ahsan - Trustee

**THE MARKFIELD INSTITUTE OF HIGHER
EDUCATION**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
For The Year Ended 31 December 2021**

The trustees (who are also the directors of The Markfield Institute of Higher Education for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE MARKFIELD INSTITUTE OF HIGHER
EDUCATION**

Opinion

We have audited the financial statements of The Markfield Institute of Higher Education (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE MARKFIELD INSTITUTE OF HIGHER
EDUCATION**

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE MARKFIELD INSTITUTE OF HIGHER
EDUCATION**

Our responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

We understood how the charitable company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

We assess the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the charitable company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

Use of our report

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



Richard Buckby FCA (Senior Statutory Auditor)
for and on behalf of Fortus Audit LLP
Chartered Accountants & Statutory Auditor
31 High View Close
Hamilton Office Park
Leicester
Leicestershire
LE4 9LJ

Date: 28/6/2022

**THE MARKFIELD INSTITUTE OF HIGHER
EDUCATION**

**STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 December 2021**

	Notes	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	417,076	10,000	427,076	70,739
Charitable activities	5				
Course fees		587,032	-	587,032	495,874
Other trading activities	3	1,797	-	1,797	28,972
Investment income	4	3,845	-	3,845	-
Total		<u>1,009,750</u>	<u>10,000</u>	<u>1,019,750</u>	<u>595,585</u>
EXPENDITURE ON					
Charitable Activities	6	423,197	10,000	433,197	357,181
Charitable activities	7				
Premises costs		53,277	-	53,277	51,016
Administration costs		164,063	-	164,063	141,151
Governance costs		5,400	-	5,400	4,980
Total		<u>645,937</u>	<u>10,000</u>	<u>655,937</u>	<u>554,328</u>
NET INCOME		<u>363,813</u>	<u>-</u>	<u>363,813</u>	<u>41,257</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		31,782	142,205	173,987	132,730
TOTAL FUNDS CARRIED FORWARD		<u>395,595</u>	<u>142,205</u>	<u>537,800</u>	<u>173,987</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**THE MARKFIELD INSTITUTE OF HIGHER
EDUCATION (REGISTERED NUMBER: 06471324)**

**BALANCE SHEET
31 December 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	13	57	85
Investment property	14	250,000	-
		<u>250,057</u>	<u>85</u>
CURRENT ASSETS			
Debtors	15	346,209	310,534
Cash at bank and in hand		96,786	132,838
		<u>442,995</u>	<u>443,372</u>
CREDITORS			
Amounts falling due within one year	16	(155,252)	(177,280)
		<u>287,743</u>	<u>266,092</u>
NET CURRENT ASSETS			
		537,800	266,177
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	17	-	(92,190)
		<u>537,800</u>	<u>173,987</u>
NET ASSETS/(LIABILITIES)			
FUNDS	20		
Unrestricted funds		395,595	31,782
Restricted funds		142,205	142,205
TOTAL FUNDS		<u>537,800</u>	<u>173,987</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 23 June 2022 and were signed on its behalf by:

M. M. Ahsan

Dr M Ahsan - Trustee

The notes form part of these financial statements

**THE MARKFIELD INSTITUTE OF HIGHER
EDUCATION**

**CASH FLOW STATEMENT
For The Year Ended 31 December 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	255,948	34,328
Net cash provided by operating activities		<u>255,948</u>	<u>34,328</u>
Cash flows from investing activities			
Purchase of investment property		(250,000)	-
Net cash (used in)/provided by investing activities		<u>(250,000)</u>	<u>-</u>
Cash flows from financing activities			
Loan repayments in year		(42,000)	(4,000)
Net cash used in financing activities		<u>(42,000)</u>	<u>(4,000)</u>
Change in cash and cash equivalents in the reporting period		<u>(36,052)</u>	<u>30,328</u>
Cash and cash equivalents at the beginning of the reporting period		<u>132,838</u>	<u>102,510</u>
Cash and cash equivalents at the end of the reporting period		<u><u>96,786</u></u>	<u><u>132,838</u></u>

The notes form part of these financial statements

**THE MARKFIELD INSTITUTE OF HIGHER
EDUCATION**

**NOTES TO THE CASH FLOW STATEMENT
For The Year Ended 31 December 2021**

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

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	363,813	41,257
Adjustments for:		
Depreciation charges	28	913
Increase in debtors	(35,675)	(17,921)
(Decrease)/increase in creditors	(72,218)	10,079
Net cash provided by operations	<u>255,948</u>	<u>34,328</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank and in hand	132,838	(36,052)	96,786
	<u>132,838</u>	<u>(36,052)</u>	<u>96,786</u>
Debt			
Debts falling due within 1 year	(42,000)	42,000	-
	<u>(42,000)</u>	<u>42,000</u>	<u>-</u>
Total	<u>90,838</u>	<u>5,948</u>	<u>96,786</u>

The notes form part of these financial statements

**THE MARKFIELD INSTITUTE OF HIGHER
EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 December 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Going concern

As at the point of authorising the accounts, and for the foreseeable future, the directors consider the going concern assumption to still be appropriate. The directors acknowledge that given the currently rapidly changing business and social environment, there are likely to be significant unknown factors which may present themselves. Such factors are considered by the directors to represent a general inherent level of risk in relation to the going concern assumption albeit not quantifiable at this time.

In addition to the above, the directors have considered the amounts due to The Islamic Foundation totalling £37,094 (2020 - £137,782). The Islamic Foundation is a registered charity with trustees in common with The Markfield Institute of Higher Education. The Islamic Foundation has pledged support for the foreseeable future, therefore, the accounts have been prepared on a going concern basis.

Income

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Donated assets are treated as income and capitalised at market value at the date of the transfer.

Expenditure

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

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2021

1. ACCOUNTING POLICIES - continued

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and the other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Tangible fixed assets

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

Fixtures and fittings	- 20% on cost
Computer equipment	- 20% on cost

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Taxation

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

Debtors

Debtor balances are recognised when amounts due to the charity remain unpaid. Debtor balances are regularly reviewed and where there is reasonable doubt that a debt will be received in full an appropriate provision is made against that balance.

Creditors

Creditor balances are recognised when the charity incurs a liability. Provisions are made when the charity is expected to incur a liability with respect to events or conditions occurring prior to the year end. Creditor balances and provisions are reviewed regularly to ensure that they are fairly stated or have been cleared correctly.

**THE MARKFIELD INSTITUTE OF HIGHER
EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2021**

1. ACCOUNTING POLICIES - continued

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Sponsorship and scholarships	40,001	35,004
Donations	137,075	35,735
Donation of property	250,000	-
	<u>427,076</u>	<u>70,739</u>

3. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Other income	1,797	295
Course development	-	25,000
Job Retention Scheme grant	-	3,677
	<u>1,797</u>	<u>28,972</u>

4. INVESTMENT INCOME

	2021	2020
	£	£
Rents received	<u>3,845</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2021**

5. INCOME FROM CHARITABLE ACTIVITIES

		2021	2020
	Activity	£	£
Course fees	Course fees	<u>587,032</u>	<u>495,874</u>

6. CHARITABLE ACTIVITIES

Other trading activities

	2021	2020
	£	£
Staff costs	394,715	337,960
Student recruitment and referral	400	500
Hardship awards	7,900	-
UK border control fees	557	536
Scholarships	22,000	11,000
Bad debts	7,625	7,185
	<u>433,197</u>	<u>357,181</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Premises costs	53,277	-	53,277
Administration costs	156,345	7,718	164,063
Governance costs	-	5,400	5,400
	<u>209,622</u>	<u>13,118</u>	<u>222,740</u>

8. SUPPORT COSTS

	Governance costs £
Administration costs	7,718
Governance costs	5,400
	<u>13,118</u>

9. NET INCOME/(EXPENDITURE)

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

	2021	2020
	£	£
Auditors' remuneration	5,400	4,980
Depreciation - owned assets	28	913
	<u></u>	<u></u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2021**

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

11. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	362,779	311,367
Social security costs	22,556	18,345
Other pension costs	9,380	8,248
	<u>394,715</u>	<u>337,960</u>

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

	2021	2020
	<u>13</u>	<u>13</u>
Administration		

No employees received emoluments in excess of £60,000.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	25,739	45,000	70,739
Charitable activities			
Course fees	495,874	-	495,874
Other trading activities	<u>28,972</u>	<u>-</u>	<u>28,972</u>
Total	550,585	45,000	595,585
EXPENDITURE ON			
Charitable Activities	312,181	45,000	357,181
Charitable activities			
Premises costs	51,016	-	51,016
Administration costs	141,151	-	141,151
Governance costs	<u>4,980</u>	<u>-</u>	<u>4,980</u>
Total	509,328	45,000	554,328
NET INCOME	<u>41,257</u>	<u>-</u>	<u>41,257</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2021**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted fund £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	(9,475)	142,205	132,730
TOTAL FUNDS CARRIED FORWARD	<u>31,782</u>	<u>142,205</u>	<u>173,987</u>

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2021 and 31 December 2021	<u>8,281</u>	<u>17,673</u>	<u>25,954</u>
DEPRECIATION			
At 1 January 2021	8,281	17,588	25,869
Charge for year	-	28	28
At 31 December 2021	<u>8,281</u>	<u>17,616</u>	<u>25,897</u>
NET BOOK VALUE			
At 31 December 2021	<u>-</u>	<u>57</u>	<u>57</u>
At 31 December 2020	<u>-</u>	<u>85</u>	<u>85</u>

14. INVESTMENT PROPERTY

	£
FAIR VALUE	
Additions	<u>250,000</u>
At 31 December 2021	<u>250,000</u>
NET BOOK VALUE	
At 31 December 2021	<u>250,000</u>
At 31 December 2020	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2021**

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	243,562	254,357
Other debtors	45,741	45,741
Prepayments and accrued income	56,906	10,436
	<u>346,209</u>	<u>310,534</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other loans (see note 18)	-	42,000
Trade creditors	9,434	3,737
Social security and other taxes	8,880	5,713
Other creditors	2,640	-
Islamic Foundation	91,822	98,004
Pension creditor	1,911	1,327
Accruals and deferred income	40,565	26,499
	<u>155,252</u>	<u>177,280</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Islamic Foundation	-	92,190
	<u>-</u>	<u>92,190</u>

Amounts included above do not attract interest and have no specific terms relating to repayment. Balances are unsecured.

18. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Other loans	-	42,000
	<u>-</u>	<u>42,000</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted fund	2021 Total funds	2020 Total funds
	£	£	£	£
Fixed assets	57	-	57	85
Investments	250,000	-	250,000	-
Current assets	300,790	142,205	442,995	443,372
Current liabilities	(155,252)	-	(155,252)	(177,280)
Long term liabilities	-	-	-	(92,190)
	<u>395,595</u>	<u>142,205</u>	<u>537,800</u>	<u>173,987</u>

**THE MARKFIELD INSTITUTE OF HIGHER
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**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2021**

20. MOVEMENT IN FUNDS

	At 1.1.21 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
General fund	31,782	363,813	395,595
Restricted funds			
Restricted	142,205	-	142,205
TOTAL FUNDS	<u>173,987</u>	<u>363,813</u>	<u>537,800</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,009,750	(645,937)	363,813
Restricted funds			
Restricted	10,000	(10,000)	-
TOTAL FUNDS	<u>1,019,750</u>	<u>(655,937)</u>	<u>363,813</u>

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	(9,475)	41,257	31,782
Restricted funds			
Restricted	142,205	-	142,205
TOTAL FUNDS	<u>132,730</u>	<u>41,257</u>	<u>173,987</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2021**

20. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	550,585	(509,328)	41,257
Restricted funds			
Restricted	45,000	(45,000)	-
TOTAL FUNDS	<u>595,585</u>	<u>(554,328)</u>	<u>41,257</u>

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

	At 1.1.20 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
General fund	(9,475)	405,070	395,595
Restricted funds			
Restricted	142,205	-	142,205
TOTAL FUNDS	<u>132,730</u>	<u>405,070</u>	<u>537,800</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,560,335	(1,155,265)	405,070
Restricted funds			
Restricted	55,000	(55,000)	-
TOTAL FUNDS	<u>1,615,335</u>	<u>(1,210,265)</u>	<u>405,070</u>

The specific purposes for which the funds are to be applied are as follows:

The restricted funds represent donations and amounts given to the The Institute which have been given on the basis that they will be used for specific purposes such as awards, scholarships and sponsorships and for specific course development.

**THE MARKFIELD INSTITUTE OF HIGHER
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**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2021**

21. RELATED PARTY DISCLOSURES

The Markfield Institute of Higher Education (MIHE) has Trustees in common with The Islamic Foundation (IF).

During the year, MIHE paid £24,460 (2020 - £25,800) to IF in respect of rent and various other office expenses.

At the balance sheet date MIHE owed IF a net amount of £39,410 (2020 - £137,782).

At the year end MIHE owed Dr Parvez £nil (2020 - £12,000) in respect of a loan to the charity.

The Al-Medina Trust - trustees in common

The Al-Medina Trust made donations to MIHE during the year of £40,000 (2020 - £35,000).

The Madina Trust - trustees in common

The Madina Trust made donations to MIHE during the year of £10,000 (2020 - £10,000).

Long Ditton Trust - trustees in common

During the year, Long Ditton Trust donated a property to MIHE. The property was valued at £250,000.

Long Ditton Trust made donations to MIHE during the year of £91,430 (2020 - £nil).

**THE MARKFIELD INSTITUTE OF HIGHER
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**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 December 2021**

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Sponsorship and scholarships	40,001	35,004
Donations	137,075	35,735
Donation of property	250,000	-
	<u>427,076</u>	<u>70,739</u>
Other trading activities		
Other income	1,797	295
Course development	-	25,000
Job Retention Scheme grant	-	3,677
	<u>1,797</u>	<u>28,972</u>
Investment income		
Rents received	3,845	-
Charitable activities		
Course fees	587,032	495,874
	<u>1,019,750</u>	<u>595,585</u>
Total incoming resources		
	1,019,750	595,585
EXPENDITURE		
Other trading activities		
Wages and salaries	362,779	311,367
Social security costs	22,556	18,345
Staff pensions	9,380	8,248
Student recruitment and referral	400	500
Hardship awards	7,900	-
UK border control fees	557	536
Scholarships	22,000	11,000
Bad debts	7,625	7,185
	<u>433,197</u>	<u>357,181</u>
Charitable activities		
Rates and water	9,537	5,374
Insurance	2,656	4,266
Light and heat	10,403	9,726
Telephone	1,740	5,023
Postage and stationery	3,135	1,037
Advertising	5,389	9,214
Rent	12,000	12,000
Repairs and maintenance	3,539	1,996
Travelling	4,601	3,809
Carried forward	53,000	52,445

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**THE MARKFIELD INSTITUTE OF HIGHER
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**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 December 2021**

	2021 £	2020 £
Charitable activities		
Brought forward	53,000	52,445
Accommodation and subsistence	3,554	1,871
Events and ceremonies	3,234	1,030
Sundries	100	-
Internet and IT expenses	49,204	35,776
Books and subscriptions	5,499	16,027
Equipment hire	294	374
Cleaning	9,872	8,440
Bank charges	1,269	1,570
Hire of premises	-	1,610
Validation and accreditation fees	80,227	53,121
Legal and professional	3,341	2,926
Computer equipment depreciation	28	913
	<u>209,622</u>	<u>176,103</u>
Support costs		
Governance costs		
Auditors' remuneration	5,400	4,980
Financial operations management	2,154	2,877
Consultancy	5,564	13,187
	<u>13,118</u>	<u>21,044</u>
Total resources expended	<u>655,937</u>	<u>554,328</u>
Net income	<u>363,813</u>	<u>41,257</u>

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