

THE ISLAMIC FOUNDATION

England & Wales · Charity number 1160353

Details

Status Registered

Legal form CIO

Registered 2015-02-05

Register [View on the Charity Commission register](#)

Contact

Address Ratby Lane
Markfield
Leicestershire
LE67 9SY

Phone 01530244944

Email info@islamic-foundation.org.uk

Website www.islamic-foundation.org.uk

Activities

Objects: 1)TO ADVANCE THE ISLAMIC RELIGION ANYWHERE IN THE WORLD FOR THE BENEFIT OF THE PUBLIC THROUGH THE HOLDING OF MEETINGS, LECTURES, PRODUCING AND/OR DISTRIBUTING LITERATURE ON THE ISLAMIC FAITH TO ENLIGHTEN OTHERS ABOUT THE ISLAMIC FAITH.2)FOR THE PUBLIC BENEFIT TO PROMOTE THE EDUCATION AND TRAINING (BOTH FORMAL AND INFORMAL) OF PEOPLE ANYWHERE IN THE WORLD IN SUCH WAYS AS THE BOARD OF TRUSTEES THINK FIT.

Activities: Intended activities are advancement of Islamic religion through dialogue, meeting, education, seminars and publications.

Classification

- **How:** Provides Human Resources, Provides Services
- **What:** General Charitable Purposes, Education/training, Religious Activities
- **Who:** The General Public/mankind

Geography

- Leicester City
- Leicestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£615,048	£626,598	£4,196,524	10
2023-12-31	£493,693	£543,062	-	-
2022-12-31	£528,364	£514,344	£4,019,144	10
2021-12-31	£457,314	£494,012	-	-
2020-12-31	£395,329	£477,341	-	-

Trustees

Name	Role	Appointed
DR ZAHID ALI PARVEZ		2014-06-19
Dr Abdelkader Chachi		2025-12-19
Dr MUHAMMAD ABDUL BARI MBE		2014-11-29
Dr Mohammed Rayes Musthafa Lebbai		2018-08-30
Dr Riza Mohammed		2018-08-30
Dr SALMAN AHMAD		2025-12-19
PROFESSOR ANIS AHMAD PHD		2014-06-19

THE ISLAMIC FOUNDATION

England & Wales - Charity number 1160353

Accounts

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
FOR
THE ISLAMIC FOUNDATION**

THE ISLAMIC FOUNDATION
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For The Year Ended 31 December 2024

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THE ISLAMIC FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS
For The Year Ended 31 December 2024

TRUSTEES

Prof A Ahmad
Dr M A Bari
Dr M Ahsan (resigned 22.3.24)
Dr Z Parvez
Dr R Mohammed
Dr M R M Lebbai

PRINCIPAL ADDRESS

The Markfield Conference Centre
Ratby Lane
Leicester
Leicestershire
LE67 9SY

REGISTERED CHARITY NUMBER

1160353

AUDITORS

TC Group
31 High View Close
Hamilton Office Park
Leicester
Leicestershire
LE4 9LJ

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
For The Year Ended 31 December 2024

The trustees present their report with the financial statements of the charity for the year ended 31 December 2024. 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 key purpose of the charity is to promote an understanding of Islam and the Islamic world, in accordance with the objectives laid out in the trust deeds. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

The Islamic Foundation is dedicated to the service of knowledge through research, education, training, and publishing with the aim of promoting a more informed understanding of the Islamic faith, both amongst Muslims and others, and foster better relations between Muslims and people of other faiths and none.

Public benefit

The Islamic Foundation is working to provide the general public with a better understanding of the Islamic faith, both amongst Muslims and non-Muslims, and foster better relations between Muslims and people of other faiths and none. The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

During the year under review the Foundation maintained its research, education, inter-faith and publishing activities. We continued to work closely with our diverse range of volunteers, well-wishers and partners which helped us to expand the institution's profile and community services such as Eid festivals, Ramadan gatherings, weekend school (Maktab).

In 2024 the Islamic Foundation continued with its research programmes including archiving. We also began the project to digitalise the library. The Foundation developed and delivered youth development retreats by the title of Ribaah. The leadership development retreats were organised under the brand name of iLead.

The Foundation continued to develop and publish books through Kube Publishing. They included academic, general, classics and children's titles.

The Foundation liaised with various charities and sponsors in relation to the distribution of our books to poor and low-income children and families in UK and abroad.

The Muslim World Book Review (MWBR) published 4 issues of its 44th and 45th volume. It was also offered in the digital format on www.mwbr.org.uk.

Markfield Conference Centre continued to provide unique facilities for the communities from across UK and even Europe. A diverse range of community groups visited the centre for their educational, social and cultural activities. The Foundation contributed to the educational and training programmes of some of these groups. Our mosque, a registered place of worship, holds daily congregational prayers and is used extensively by many visitors, especially on Fridays.

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
For The Year Ended 31 December 2024

The Islamic Foundation Library provided an effective and efficient information service to all its users. These included students of BA, MA, MPhil and PhD studying at the Markfield Institute of Higher Education (MIHE), as well as long and short-term visiting researchers, and members of academic and non-academic staff at the Foundation. During the year, the library added over 500 new books in Arabic, English and Urdu. The subject areas include the Qur'an, Seera, Islamic Banking & Finance, Interfaith studies and pluralism, Islamic Law and Philosophy, history and culture of Muslims in Europe, particularly British Muslims. The library has also been exploring new electronic resources.

The trustees participated and contributed to various academic and community organisations actively and conducted lectures and training online. This included participation at the Doha Conference on Interfaith Dialogue 2024.

FINANCIAL REVIEW

Financial position

At the end of the financial year the total reserves stood at £4,196,525 (2023: £3,969,775). The trustees believe this to be a sound footing to invest in the future of the charity.

The operating turnover was £615,048 (2023: £493,693) against operating expenditure of £626,598 (2023: £543,062) and a gain on investment property of £238,299 (2023: £nil).

As a charity the public has the assurance that all funds generated must be applied for the purposes of the charity's objectives and activities. As a charity we enjoy tax exemption on our charitable activities and our investment income and gains provided these are applied for our charitable aims. The financial benefits we receive from the tax exemptions are all applied to help maintain our objectives.

Reserves policy

Reserves are maintained at a level that enabled the Charity to manage financial risk and short-term income volatility. They allow the Charity to sustain optimal levels of expenditure, ensuring that financial commitments can be met as they fall due. Our reserves policy allocates money from unrestricted fund balances, which are not invested in fixed assets, held in our 60 and 120 days, reserves accounts.

The reserves amount was capped at £50,000 for the financial year ended 31st December 2024 which is meant to be used in bridging any possible delays in receiving donations or managing payments in arrears. The period of delay has been defined as a minimum of a three months budgeted trading activity. This policy is however reviewed on six months basis twice in a financial period, as circumstances evolve and change during the course of the next financial year, matching changes to the annual budget.

FUTURE PLANS

Besides the income from investments, revenue from the hiring of the conference facilities, fees from educational programmes, grants from national and international charitable foundations remain the major sources of our finance. The Foundation has always had a policy of building our endowment fund based on property investment. It has performed well to date. In the post Pandemic a major objective for the future is to use digital marketing for fundraising to expand our donor base. This will allow us to further expand charitable activities such as educational programmes for the youth, mosque leadership the library services and the academic activities such as research seminars, publications and journals. We are also close to securing the planning consent to modernise our conference facilities to widen the user base to professional and higher educational activities, thus, enhancing the revenue.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Islamic Foundation is registered as a Charitable Incorporated Organisation (CIO), number 1160353, and is considered to have no liability to taxation on its income.

Recruitment and appointment of new trustees

The election of the trustees is formalised in the constitution.

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
For The Year Ended 31 December 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trustees who have ultimate responsibility for maintenance of the Islamic Foundation and its policy and strategic direction, have delegated the day-to-day management of the Foundation to its Director General, who operates through Senior Executive Committee (SEC) consisting of both selected trustees and the departmental and project heads.

The co-ordination of the management of the Islamic Foundation on behalf of the trustees is the responsibility of the Secretary of the Foundation.

The Trustees maintain contact with and participation in the decision-making process of the Foundation through the Administrative Committee which meets quarterly and its sub committees, when formed, meet as required.

Induction and training of new trustees

Trustees are appointed with no limit to their tenure and as and when the board requires. The appointment of Trustees is preceded by consultation to ensure they are aware of the aims and objectives of the charity and their responsibilities. They are provided regular updates on the regulations and their legal and institutional duties.

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.

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

To maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

THE ISLAMIC FOUNDATION

REPORT OF THE TRUSTEES
For The Year Ended 31 December 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 charity 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 charity and to 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on27/10/2025..... and signed on its behalf by:


.....
Dr Z Parvez - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE ISLAMIC FOUNDATION**

Opinion

We have audited the financial statements of The Islamic Foundation (the 'charity') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditors' responsibilities 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 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 charity'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.

Matters on which we are required to report by exception

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ISLAMIC FOUNDATION

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

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

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 charity 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 charity 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 charity'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 charity 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE ISLAMIC FOUNDATION**

Use of our report

This report is made solely to the charity's 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 charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

TC Group

TC Group
31 High View Close
Hamilton Office Park
Leicester
Leicestershire
LE4 9LJ

Date: *28/10/2025*

THE ISLAMIC FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 December 2024

	Notes	Unrestricted fund £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	193,860	9,630	203,490	99,164
Charitable activities					
Hire of Conference facilities	4	96,424	-	96,424	130,019
General costs		5,958	-	5,958	4,590
Maktab/Madressa		18,317	-	18,317	14,247
Investment income	3	189,843	-	189,843	206,805
Other income	5	101,016	-	101,016	38,868
Total		<u>605,418</u>	<u>9,630</u>	<u>615,048</u>	<u>493,693</u>
EXPENDITURE ON					
Raising funds	6	33,887	-	33,887	25,218
Charitable activities					
Donations	7	10,959	-	10,959	8,360
General costs		246,805	-	246,805	211,701
Other		334,947	-	334,947	297,783
Total		<u>626,598</u>	<u>-</u>	<u>626,598</u>	<u>543,062</u>
Net gains on investments		<u>238,299</u>	<u>-</u>	<u>238,299</u>	<u>-</u>
NET INCOME/(EXPENDITURE)		<u>217,119</u>	<u>9,630</u>	<u>226,749</u>	<u>(49,369)</u>
Transfers between funds	20	<u>8,442</u>	<u>(8,442)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>225,561</u>	<u>1,188</u>	<u>226,749</u>	<u>(49,369)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>3,922,010</u>	<u>47,765</u>	<u>3,969,775</u>	<u>4,019,144</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>4,147,571</u></u>	<u><u>48,953</u></u>	<u><u>4,196,524</u></u>	<u><u>3,969,775</u></u>

The notes form part of these financial statements

THE ISLAMIC FOUNDATION

BALANCE SHEET
31 December 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Tangible assets	12	2,071,620	2,117,400
Investment property	13	1,931,000	1,692,701
		<u>4,002,620</u>	<u>3,810,101</u>
CURRENT ASSETS			
Debtors	14	246,540	250,943
Cash at bank and in hand		207,693	170,379
		<u>454,233</u>	<u>421,322</u>
CREDITORS			
Amounts falling due within one year	15	(246,797)	(238,748)
		<u>207,436</u>	<u>182,574</u>
NET CURRENT ASSETS			
		4,210,056	3,992,675
CREDITORS			
Amounts falling due after more than one year	16	(13,532)	(22,900)
		<u>4,196,524</u>	<u>3,969,775</u>
NET ASSETS			
FUNDS	20		
Unrestricted funds		4,147,571	3,922,010
Restricted funds		48,953	47,765
		<u>4,196,524</u>	<u>3,969,775</u>
TOTAL FUNDS			

The financial statements were approved by the Board of Trustees and authorised for issue on 27/10/2025 and were signed on its behalf by:


.....
Z Parvez - Trustee

The notes form part of these financial statements

THE ISLAMIC FOUNDATION
CASH FLOW STATEMENT
For The Year Ended 31 December 2024

Notes	2024 £	2023 £
Cash flows from operating activities		
Cash generated from operations	45,991	10,328
Interest paid	-	(292)
	<u>45,991</u>	<u>10,036</u>
Net cash provided by operating activities	45,991	10,036
Cash flows from investing activities		
Purchase of tangible fixed assets	(972)	(4,830)
Purchase of investment property	-	(36,000)
Interest received	2,296	1,931
	<u>1,324</u>	<u>(38,899)</u>
Net cash provided by/(used in) investing activities	1,324	(38,899)
Cash flows from financing activities		
Loan repayments in year	(10,001)	(10,634)
	<u>(10,001)</u>	<u>(10,634)</u>
Net cash used in financing activities	(10,001)	(10,634)
Change in cash and cash equivalents in the reporting period		
	37,314	(39,497)
Cash and cash equivalents at the beginning of the reporting period	<u>170,379</u>	<u>209,876</u>
Cash and cash equivalents at the end of the reporting period	<u><u>207,693</u></u>	<u><u>170,379</u></u>

The notes form part of these financial statements

THE ISLAMIC FOUNDATION

NOTES TO THE CASH FLOW STATEMENT
For The Year Ended 31 December 2024

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	2024	2023
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	226,749	(49,369)
Adjustments for:		
Depreciation charges	46,752	47,546
Losses on investments	(238,299)	-
Interest received	(2,296)	(1,931)
Interest paid	-	292
Decrease/(increase) in debtors	4,403	(16,794)
Increase in creditors	8,682	30,584
Net cash provided by operations	<u>45,991</u>	<u>10,328</u>

2. ANALYSIS OF CHANGES IN NET FUNDS	At 1.1.24	Cash flow	At 31.12.24
	£	£	£
Net cash			
Cash at bank and in hand	170,379	37,314	207,693
	<u>170,379</u>	<u>37,314</u>	<u>207,693</u>
Debt			
Debts falling due within 1 year	(10,633)	633	(10,000)
Debts falling due after 1 year	(22,900)	9,368	(13,532)
	<u>(33,533)</u>	<u>10,001</u>	<u>(23,532)</u>
Total	<u>136,846</u>	<u>47,315</u>	<u>184,161</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Going concern

The accounts have been prepared on a going concern basis. The Trustees consider that there are no material uncertainties regarding the Charity's ability to continue as a going concern. The Trustees are of the opinion that the Charity will have access to sufficient funds to enable it operate for at least one year from the signing of the balance sheet.

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.

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Income from the hire of the charity's facilities is recognised on a receivable basis

Investment income is recognised on a receivable basis

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.

Tangible fixed assets

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

Freehold property	- 2% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% 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 tax on its charitable activities.

Fund accounting

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

THE ISLAMIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2024

1. ACCOUNTING POLICIES - continued

Fund accounting

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

2. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	193,377	99,164
Gift aid	10,113	-
	<u>203,490</u>	<u>99,164</u>

3. INVESTMENT INCOME

	2024	2023
	£	£
Rents received	187,547	204,874
Deposit account interest	2,296	1,931
	<u>189,843</u>	<u>206,805</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2024	2023
	£	£
Hire of conference facilities	96,424	130,019
Project funding	5,958	4,590
Maktab income	18,317	14,247
	<u>120,699</u>	<u>148,856</u>

5. OTHER INCOME

	2024	2023
	£	£
Service charges receivable	47,569	28,440
Other income	53,447	10,428
	<u>101,016</u>	<u>38,868</u>

THE ISLAMIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2024

6. RAISING FUNDS

Other trading activities

	2024	2023
	£	£
Bad debts	-	5,050
Property management expenses	9,815	6,088
Madressa costs	24,072	14,080
	<u>33,887</u>	<u>25,218</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Donations	10,959	-	10,959
General costs	234,305	12,500	246,805
	<u>245,264</u>	<u>12,500</u>	<u>257,764</u>

8. SUPPORT COSTS

	Governance costs £
General costs	<u>12,500</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2024 nor for the year ended 31 December 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2024 nor for the year ended 31 December 2023.

10. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	219,335	189,326
Social security costs	11,703	10,267
Other pension costs	3,267	3,108
	<u>234,305</u>	<u>202,701</u>

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

	2024	2023
Administration and governance	6	6
Other	5	4
	<u>11</u>	<u>10</u>

THE ISLAMIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2024

10. STAFF COSTS - continued

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	95,324	3,840	99,164
Charitable activities			
Hire of Conference facilities	130,019	-	130,019
General costs	4,590	-	4,590
Maktab/Madressa	14,247	-	14,247
Investment income	206,805	-	206,805
Other income	38,868	-	38,868
Total	489,853	3,840	493,693
EXPENDITURE ON			
Raising funds	25,218	-	25,218
Charitable activities			
Donations	-	8,360	8,360
General costs	211,701	-	211,701
Other	297,783	-	297,783
Total	534,702	8,360	543,062
NET INCOME/(EXPENDITURE)	(44,849)	(4,520)	(49,369)
Transfers between funds	(4,614)	4,614	-
Net movement in funds	(49,463)	94	(49,369)
RECONCILIATION OF FUNDS			
Total funds brought forward	3,971,473	47,671	4,019,144
TOTAL FUNDS CARRIED FORWARD	3,922,010	47,765	3,969,775

THE ISLAMIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2024

12. TANGIBLE FIXED ASSETS

	Freehold property £	Office equipment £	Plant and machinery £
COST			
At 1 January 2024	2,341,154	660	384
Additions	-	-	598
At 31 December 2024	<u>2,341,154</u>	<u>660</u>	<u>982</u>
DEPRECIATION			
At 1 January 2024	269,005	110	67
Charge for year	41,443	110	197
At 31 December 2024	<u>310,448</u>	<u>220</u>	<u>264</u>
NET BOOK VALUE			
At 31 December 2024	<u>2,030,706</u>	<u>440</u>	<u>718</u>
At 31 December 2023	<u>2,072,149</u>	<u>550</u>	<u>317</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2024	74,245	249	4,069	2,420,761
Additions	166	-	208	972
At 31 December 2024	<u>74,411</u>	<u>249</u>	<u>4,277</u>	<u>2,421,733</u>
DEPRECIATION				
At 1 January 2024	33,601	189	389	303,361
Charge for year	4,022	17	963	46,752
At 31 December 2024	<u>37,623</u>	<u>206</u>	<u>1,352</u>	<u>350,113</u>
NET BOOK VALUE				
At 31 December 2024	<u>36,788</u>	<u>43</u>	<u>2,925</u>	<u>2,071,620</u>
At 31 December 2023	<u>40,644</u>	<u>60</u>	<u>3,680</u>	<u>2,117,400</u>

13. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2024	1,692,701
Revaluation	238,299
At 31 December 2024	<u>1,931,000</u>
NET BOOK VALUE	
At 31 December 2024	<u>1,931,000</u>
At 31 December 2023	<u>1,692,701</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2024

13. INVESTMENT PROPERTY - continued

Investment properties were reviewed by the trustees at the year end taking into account their knowledge of local market conditions and the condition of the properties owned by the trust. In their opinion the value shown in the financial statements represents a materially fair value.

Fair value at 31 December 2024 is represented by:

	£
Valuation in 2024	238,299
Cost	1,692,701
	<u>1,931,000</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	10,049	36,868
Kube Publishing Limited	78,483	85,640
Markfield Institute of Higher Education	128,030	100,919
VAT	3,759	1,431
Prepayments and accrued income	26,219	26,085
	<u>246,540</u>	<u>250,943</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Bank loans and overdrafts (see note 17)	10,000	10,633
Trade creditors	26,455	19,644
Taxation and social security	3,758	3,103
Other creditors	206,584	205,368
	<u>246,797</u>	<u>238,748</u>

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

	2024	2023
	£	£
Bank loans (see note 17)	<u>13,532</u>	<u>22,900</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2024	2023
	£	£
Amounts falling due within one year on demand:		
Bank loan	<u>10,000</u>	<u>10,633</u>
Amounts falling between one and two years:		
Bank loan	<u>13,532</u>	<u>10,633</u>
Amounts falling due between two and five years:		
Bank loan	<u>-</u>	<u>12,267</u>

THE ISLAMIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2024

18. SECURED DEBTS

The following secured debts are included within creditors:

	2024	2023
	£	£
Bank loans	<u>23,532</u>	<u>33,533</u>

Bank loans are secured on the asset to which they relate.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	2024 Total funds	2023 Total funds
	£	£	£	£
Fixed assets	2,071,620	-	2,071,620	2,117,400
Investments	1,931,000	-	1,931,000	1,692,701
Current assets	405,280	48,953	454,233	421,322
Current liabilities	(246,797)	-	(246,797)	(238,748)
Long term liabilities	(13,532)	-	(13,532)	(22,900)
	<u>4,147,571</u>	<u>48,953</u>	<u>4,196,524</u>	<u>3,969,775</u>

20. MOVEMENT IN FUNDS

	At 1.1.24	Net movement in funds	Transfers between funds	At 31.12.24
	£	£	£	£
Unrestricted funds				
General fund	3,922,010	217,119	8,442	4,147,571
Restricted funds				
Scholarship	46,206	-	-	46,206
IF Kenya	1,559	9,630	(8,442)	2,747
	<u>47,765</u>	<u>9,630</u>	<u>(8,442)</u>	<u>48,953</u>
TOTAL FUNDS	<u>3,969,775</u>	<u>226,749</u>	<u>-</u>	<u>4,196,524</u>

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

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	605,418	(626,598)	238,299	217,119
Restricted funds				
IF Kenya	9,630	-	-	9,630
TOTAL FUNDS	<u>615,048</u>	<u>(626,598)</u>	<u>238,299</u>	<u>226,749</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2024

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.23 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds				
General fund	3,971,473	(44,849)	(4,614)	3,922,010
Restricted funds				
Scholarship	46,206	-	-	46,206
IF Kenya	1,465	(4,520)	4,614	1,559
	<u>47,671</u>	<u>(4,520)</u>	<u>4,614</u>	<u>47,765</u>
TOTAL FUNDS	<u>4,019,144</u>	<u>(49,369)</u>	<u>-</u>	<u>3,969,775</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	489,853	(534,702)	(44,849)
Restricted funds			
IF Kenya	3,840	(8,360)	(4,520)
TOTAL FUNDS	<u>493,693</u>	<u>(543,062)</u>	<u>(49,369)</u>

IF Kenya

The fund provides educational programmes and courses to orphans and schools in Kenya.

21. RELATED PARTY DISCLOSURES

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

During the year IF also received income amounting to £36,562 (2023 - £37,940) from MIHE with respect to rent and office expenses.

At the balance sheet date the amount due from MIHE was £83,030 (2023 - £57,269). This is net of a loan repayable by IF to MIHE totalling £45,000 for both years.

At the balance sheet date IF was owed £78,483 by Kube Publishing Ltd, a company with personnel in common (2023- £85,640).

At the balance sheet date IF owed a trust £115,000, this being set against an interest in a property owned by IF. This trust has a trustee in common with IF (2023- £115,000).

At the year end two trustees have an interest in a property owned by IF, this property was last valued at £800,000.

THE ISLAMIC FOUNDATION
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 December 2024

	2024 £	2023 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	193,377	99,164
Gift aid	10,113	-
	<u>203,490</u>	<u>99,164</u>
Investment income		
Rents received	187,547	204,874
Deposit account interest	2,296	1,931
	<u>189,843</u>	<u>206,805</u>
Charitable activities		
Hire of conference facilities	96,424	130,019
Maktab income	18,317	14,247
Project funding	5,958	4,590
	<u>120,699</u>	<u>148,856</u>
Other income		
Service charges receivable	47,569	28,440
Other income	53,447	10,428
	<u>101,016</u>	<u>38,868</u>
Total incoming resources	615,048	493,693
EXPENDITURE		
Other trading activities		
Bad debts	-	5,050
Property management expenses	9,815	6,088
Madressa costs	24,072	14,080
	<u>33,887</u>	<u>25,218</u>
Charitable activities		
Wages	219,335	189,326
Social security	11,703	10,267
Pensions	3,267	3,108
Donations paid	10,959	8,360
	<u>245,264</u>	<u>211,061</u>
Other		
Hire of equipment	2,515	2,284
Advertising and promotion	1,217	-
Carried forward	3,732	2,284

This page does not form part of the statutory financial statements

THE ISLAMIC FOUNDATION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 December 2024

	2024 £	2023 £
Other		
Brought forward	3,732	2,284
Rates and water	33,777	35,647
Insurance	12,685	7,506
Light and heat	71,480	87,656
Motor and travel expenses	768	530
Printing, postage and stationery	7,104	6,027
Telephone	2,713	3,363
IT and internet costs	16,182	9,692
Library costs	4,443	7,882
Repairs and maintenance	31,262	28,862
Cleaning	14,192	13,421
Bank charges	1,572	57
Legal and professional	1,600	3,975
Financial operations	18,550	18,350
Meals and accommodation	21,961	21,429
Entertainment	884	224
Consulting and Training	45,290	3,040
Deprec - Office equipment	46,752	47,546
Bank loan interest	-	292
	<u>334,947</u>	<u>297,783</u>
Support costs		
Governance costs		
Auditors' remuneration	12,500	9,000
Total resources expended	<u>626,598</u>	<u>543,062</u>
Net expenditure before gains and losses	(11,550)	(49,369)
Realised recognised gains and losses		
Realised gains/(losses) on investment property	238,299	-
Net income/(expenditure)	<u><u>226,749</u></u>	<u><u>(49,369)</u></u>

This page does not form part of the statutory financial statements

THE ISLAMIC FOUNDATION

England & Wales - Charity number 1160353

Accounts

REGISTERED CHARITY NUMBER: 1160353

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
FOR
THE ISLAMIC FOUNDATION**

THE ISLAMIC FOUNDATION
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For The Year Ended 31 December 2023

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THE ISLAMIC FOUNDATION

**REFERENCE AND ADMINISTRATIVE DETAILS
For The Year Ended 31 December 2023**

TRUSTEES

Prof A Ahmad
Dr M A Bari
Dr M Ahsan
Prof K Ahmad
Dr Z Parvez
Dr R Mohammed
Dr M R M Lebbai

PRINCIPAL ADDRESS

The Markfield Conference Centre
Ratby Lane
Leicester
Leicestershire
LE67 9SY

REGISTERED CHARITY NUMBER

1160353

AUDITORS

TC Group
31 High View Close
Hamilton Office Park
Leicester
Leicestershire
LE4 9LJ

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
For The Year Ended 31 December 2023

The trustees present their report with the financial statements of the charity for the year ended 31 December 2023. 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 key purpose of the charity is to promote an understanding of Islam and the Islamic world, in accordance with the objectives laid out in the trust deeds. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

The Islamic Foundation is dedicated to the service of knowledge through research, education, training, and publishing with the aim of promoting a more informed understanding of the Islamic faith, both amongst Muslims and others, and foster better relations between Muslims and people of other faiths and none.

Public benefit

The Islamic Foundation is working to provide the general public with a better understanding of the Islamic faith, both amongst Muslims and non-Muslims, and foster better relations between Muslims and people of other faiths and none. The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year under review the Foundation maintained its research, education, inter-faith and publishing activities. We are pleased that the activities normalised after the Covid set back. However, the impact and challenges remained due to rising costs and reduced funding. We continued to work closely with our diverse range of volunteers, well-wishers and partners which helped us to expand the institution's profile and community services such as Eid festival, weekend school and weekend retreats.

Last year, the foundation launched its research programme. This programme will focus on community issues based on Census 2021 findings, mosques and youth development.

The Foundation continued to develop and publish books through Kube Publishing. They included academic, general, classics and children's titles.

The Foundation liaised with various charities and sponsors in relation to the distribution of our books to poor and low-income children and families in UK and abroad.

The Muslim World Book Review (MWBR) published 4 issues of its 42nd and 43rd volume. It was also launched in the digital format on www.mwbr.org.uk.

Markfield Conference Centre continues to provide unique facilities for the communities from across UK and even Europe. A diverse range of community groups visited the centre for their educational, social and cultural activities. The Foundation contributed to the educational and training programmes of some of these groups. Our mosque, now a registered place of worship, is used extensively by many visitors, especially on Friday.

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
For The Year Ended 31 December 2023

The Islamic Foundation Library provided an effective and efficient information service to all its users. These included students of BA, MA, MPhil and PhD studying at the Markfield Institute of Higher Education (MIHE), as well as long and short-term visiting researchers, and members of academic and non-academic staff at the Foundation. During the year, the library added over 300 new books in Arabic, English and Urdu. The subject areas include the Qur'an, Seera, Islamic Banking & Finance, Interfaith studies and pluralism, Islamic Law and Philosophy, history and culture of Muslims in Europe, particularly British Muslims. The library has also been exploring new electronic resources.

The trustees participated and contributed to various organisations actively and conducted lectures and training online.

FINANCIAL REVIEW

Financial position

At the end of the financial year the total reserves stood at £3,969,775 (2022: £4,019,144). The trustees believe this to be a sound footing to invest in the future of the charity.

The operating turnover was £493,693 (2022 - £528,364) against operating expenditure of £543,062 (2022 - £514,344).

As a charity the public has the assurance that all funds generated must be applied for the purposes of the charity's objectives and activities. As a charity we enjoy tax exemption on our charitable activities and our investment income and gains provided these are applied for our charitable aims. The financial benefits we receive from the tax exemptions are all applied to help maintain our objectives.

Reserves policy

Reserves are maintained at a level that enabled the Charity to manage financial risk and short-term income volatility. They allow the Charity to sustain optimal levels of expenditure, ensuring that financial commitments can be met as they fall due. Our reserves policy allocates money from unrestricted fund balances, which are not invested in fixed assets, held in our 60 and 120 days, reserves accounts.

The reserves amount was capped at £50,000 for the financial year ended 31st December 2023 which is meant to be used in bridging any possible delays in receiving donations or managing payments in arrears. The period of delay has been defined as a minimum of a three months budgeted trading activity. This policy is however reviewed on six months basis twice in a financial period, as circumstances evolve and change during the course of the next financial year, matching changes to the annual budget.

FUTURE PLANS

Besides the income from investments, revenue from the hiring of the conference facilities, fees from educational programmes, grants from national and international charitable foundations remain the major sources of our finance. The Foundation has always had a policy of building our endowment fund based on property investment. It has performed well to date. In the post Pandemic a major objective for the future is to use digital marketing for fundraising to expand our donor base. This will allow us to further expand charitable activities such as educational programmes for the youth, mosque leadership the library services and the academic activities such as research seminars, publications and journals. We are also close to securing the planning consent to modernise our conference facilities to widen the user base to professional and higher educational activities, thus, enhancing the revenue.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Islamic Foundation is registered as a Charitable Incorporated Organisation (CIO), number 1160353, and is considered to have no liability to taxation on its income.

Recruitment and appointment of new trustees

The election of the trustees is formalised in the constitution.

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
For The Year Ended 31 December 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trustees who have ultimate responsibility for maintenance of the Islamic Foundation and its policy and strategic direction, have delegated the day-to-day management of the Foundation to its Director General, who operates through Senior Executive Committee (SEC) consisting of both selected trustees and the departmental and project heads.

The co-ordination of the management of the Islamic Foundation on behalf of the trustees is the responsibility of the Secretary of the Foundation.

The Trustees maintain contact with and participation in the decision-making process of the Foundation through the Administrative Committee which meets quarterly and its sub committees, when formed, meet as required.

Induction and training of new trustees

Trustees are appointed with no limit to their tenure and as and when the board requires. The appointment of Trustees is preceded by consultation to ensure they are aware of the aims and objectives of the charity and their responsibilities. They are provided regular updates on the regulations and their legal and institutional duties.

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.

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
For The Year Ended 31 December 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 charity 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 charity and to 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on28/10/24..... and signed on its behalf by:



.....
Dr Z Parvez - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ISLAMIC FOUNDATION

Opinion

We have audited the financial statements of The Islamic Foundation (the 'charity') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditors' responsibilities 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 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 charity'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.

Matters on which we are required to report by exception

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ISLAMIC FOUNDATION

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

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

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 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 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 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE ISLAMIC FOUNDATION**

Use of our report

This report is made solely to the charity's 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 charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

TC Group

TC Group
31 High View Close
Hamilton Office Park
Leicester
Leicestershire
LE4 9LJ

Date: *29 / 10 / 2024*

THE ISLAMIC FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 December 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	95,324	3,840	99,164	170,088
Charitable activities					
Hire of Conference facilities	4	130,019	-	130,019	115,989
Project funding		-	-	-	4,940
General costs		4,590	-	4,590	-
Maktab/Madressa		14,247	-	14,247	8,420
Investment income	3	206,805	-	206,805	193,491
Other income	5	38,868	-	38,868	35,436
Total		<u>489,853</u>	<u>3,840</u>	<u>493,693</u>	<u>528,364</u>
EXPENDITURE ON					
Raising funds	6	25,218	-	25,218	12,606
Charitable activities					
Donations	7	-	8,360	8,360	17,217
General costs		211,701	-	211,701	221,388
Other		297,783	-	297,783	263,133
Total		<u>534,702</u>	<u>8,360</u>	<u>543,062</u>	<u>514,344</u>
NET INCOME/(EXPENDITURE)					
Transfers between funds	20	(44,849)	(4,520)	(49,369)	14,020
		(4,614)	4,614	-	-
Net movement in funds		(49,463)	94	(49,369)	14,020
RECONCILIATION OF FUNDS					
Total funds brought forward		3,971,473	47,671	4,019,144	4,005,124
TOTAL FUNDS CARRIED FORWARD		<u><u>3,922,010</u></u>	<u><u>47,765</u></u>	<u><u>3,969,775</u></u>	<u><u>4,019,144</u></u>

The notes form part of these financial statements

THE ISLAMIC FOUNDATION

BALANCE SHEET
31 December 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	12	2,117,400	2,160,118
Investment property	13	1,692,701	1,656,701
		<u>3,810,101</u>	<u>3,816,819</u>
CURRENT ASSETS			
Debtors	14	250,943	234,149
Cash at bank and in hand		170,379	209,876
		<u>421,322</u>	<u>444,025</u>
CREDITORS			
Amounts falling due within one year	15	(238,748)	(207,533)
		<u>182,574</u>	<u>236,492</u>
NET CURRENT ASSETS			
		<u>3,992,675</u>	<u>4,053,311</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	16	(22,900)	(34,167)
		<u>3,969,775</u>	<u>4,019,144</u>
NET ASSETS			
FUNDS	20		
Unrestricted funds		3,922,010	3,971,473
Restricted funds		47,765	47,671
		<u>3,969,775</u>	<u>4,019,144</u>
TOTAL FUNDS			

The financial statements were approved by the Board of Trustees and authorised for issue on 28/10/2024 and were signed on its behalf by:


Z Parvez - Trustee

The notes form part of these financial statements

THE ISLAMIC FOUNDATION
CASH FLOW STATEMENT
For The Year Ended 31 December 2023

Notes	2023 £	2022 £
Cash flows from operating activities		
Cash generated from operations	10,328	(2,251)
Interest paid	(292)	(760)
Net cash provided by/(used in) operating activities	<u>10,036</u>	<u>(3,011)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(4,830)	(4,611)
Purchase of investment property	(36,000)	-
Interest received	1,931	1,408
Net cash used in investing activities	<u>(38,899)</u>	<u>(3,203)</u>
Cash flows from financing activities		
Loan repayments in year	(10,634)	(5,833)
Net cash used in financing activities	<u>(10,634)</u>	<u>(5,833)</u>
Change in cash and cash equivalents in the reporting period	<u>(39,497)</u>	<u>(12,047)</u>
Cash and cash equivalents at the beginning of the reporting period	<u>209,876</u>	<u>221,923</u>
Cash and cash equivalents at the end of the reporting period	<u><u>170,379</u></u>	<u><u>209,876</u></u>

The notes form part of these financial statements

THE ISLAMIC FOUNDATION
NOTES TO THE CASH FLOW STATEMENT
For The Year Ended 31 December 2023

1.	RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2023	2022
		£	£
	Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(49,369)	14,020
	Adjustments for:		
	Depreciation charges	47,546	48,247
	Interest received	(1,931)	(1,408)
	Interest paid	292	760
	Increase in debtors	(16,794)	(32,369)
	Increase/(decrease) in creditors	30,584	(31,501)
	Net cash provided by/(used in) operations	<u>10,328</u>	<u>(2,251)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.23	Cash flow	At 31.12.23
	£	£	£
Net cash			
Cash at bank and in hand	209,876	(39,497)	170,379
	<u>209,876</u>	<u>(39,497)</u>	<u>170,379</u>
Debt			
Debts falling due within 1 year	(10,000)	(633)	(10,633)
Debts falling due after 1 year	(34,167)	11,267	(22,900)
	<u>(44,167)</u>	<u>10,634</u>	<u>(33,533)</u>
Total	<u>165,709</u>	<u>(28,863)</u>	<u>136,846</u>

The notes form part of these financial statements

THE ISLAMIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 December 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Going concern

The accounts have been prepared on a going concern basis. The Trustees consider that there are no material uncertainties regarding the Charity's ability to continue as a going concern. The Trustees are of the opinion that the Charity will have access to sufficient funds to enable it operate for at least one year from the signing of the balance sheet.

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.

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Income from the hire of the charity's facilities is recognised on a receivable basis

Investment income is recognised on a receivable basis

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.

Tangible fixed assets

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

Freehold property	- 2% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% 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 tax on its charitable activities.

Fund accounting

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

THE ISLAMIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2023

1. ACCOUNTING POLICIES - continued

Fund accounting

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

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	99,164	170,088
	<u>99,164</u>	<u>170,088</u>

3. INVESTMENT INCOME

	2023	2022
	£	£
Rents received	204,874	192,083
Deposit account interest	1,931	1,408
	<u>206,805</u>	<u>193,491</u>

4. INCOME FROM CHARITABLE ACTIVITIES

		2023	2022
	Activity	£	£
Hire of conference facilities	Hire of Conference facilities	130,019	115,989
Project funding	Project funding	-	4,940
Project funding	General costs	4,590	-
Maktab income	Maktab/Madressa	14,247	8,420
		<u>148,856</u>	<u>129,349</u>

5. OTHER INCOME

	2023	2022
	£	£
Service charges receivable	28,440	18,600
Other income	10,428	16,836
	<u>38,868</u>	<u>35,436</u>

THE ISLAMIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2023

6. RAISING FUNDS

Other trading activities

	2023	2022
	£	£
Bad debts	5,050	-
Property management expenses	6,088	7,566
Madressa costs	14,080	5,040
	<u>25,218</u>	<u>12,606</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Donations	8,360	-	8,360
General costs	202,701	9,000	211,701
	<u>211,061</u>	<u>9,000</u>	<u>220,061</u>

8. SUPPORT COSTS

	Governanc costs £
General costs	9,000
	<u>9,000</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2023 nor for the year ended 31 December 2022.

10. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	189,326	198,992
Social security costs	10,267	11,530
Other pension costs	3,108	3,366
	<u>202,701</u>	<u>213,888</u>

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

	2023	2022
Administration and governance	6	6
Other	4	4
	<u>10</u>	<u>10</u>

THE ISLAMIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2023

10. STAFF COSTS - continued

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	150,988	19,100	170,088
Charitable activities			
Hire of Conference facilities	115,989	-	115,989
Project funding	4,940	-	4,940
Maktab/Madressa	8,420	-	8,420
Investment income	193,491	-	193,491
Other income	35,436	-	35,436
Total	509,264	19,100	528,364
EXPENDITURE ON			
Raising funds	12,606	-	12,606
Charitable activities			
Donations	1,153	16,064	17,217
General costs	221,388	-	221,388
Other	263,133	-	263,133
Total	498,280	16,064	514,344
NET INCOME	10,984	3,036	14,020
Transfers between funds	1,571	(1,571)	-
Net movement in funds	12,555	1,465	14,020
RECONCILIATION OF FUNDS			
Total funds brought forward	3,958,918	46,206	4,005,124
TOTAL FUNDS CARRIED FORWARD	3,971,473	47,671	4,019,144

THE ISLAMIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2023

12. TANGIBLE FIXED ASSETS

	Freehold property £	Office equipment £	Plant and machinery £
COST			
At 1 January 2023	2,341,154	-	-
Additions	-	660	384
At 31 December 2023	2,341,154	660	384
DEPRECIATION			
At 1 January 2023	226,716	-	-
Charge for year	42,289	110	67
At 31 December 2023	269,005	110	67
NET BOOK VALUE			
At 31 December 2023	2,072,149	550	317
At 31 December 2022	2,114,438	-	-

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2023	74,245	249	283	2,415,931
Additions	-	-	3,786	4,830
At 31 December 2023	74,245	249	4,069	2,420,761
DEPRECIATION				
At 1 January 2023	28,656	158	283	255,813
Charge for year	4,945	31	106	47,548
At 31 December 2023	33,601	189	389	303,361
NET BOOK VALUE				
At 31 December 2023	40,644	60	3,680	2,117,400
At 31 December 2022	45,589	91	-	2,160,118

13. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2023	1,656,701
Additions	36,000
At 31 December 2023	1,692,701
NET BOOK VALUE	
At 31 December 2023	1,692,701
At 31 December 2022	1,656,701

THE ISLAMIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2023

13. INVESTMENT PROPERTY - continued

Investment properties were reviewed by the trustees at the year end taking into account their knowledge of local market conditions and the condition of the properties owned by the trust. In their opinion the value shown in the financial statements represents a materially fair value.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	36,868	35,468
Kube Publishing Limited	85,640	83,240
Markfield Institute of Higher Education	100,919	69,687
VAT	1,431	-
Prepayments and accrued income	26,085	45,754
	<u>250,943</u>	<u>234,149</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 17)	10,633	10,000
Trade creditors	19,644	15,641
Taxation and social security	3,103	4,546
Other creditors	205,368	177,346
	<u>238,748</u>	<u>207,533</u>

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

	2023	2022
	£	£
Bank loans (see note 17)	<u>22,900</u>	<u>34,167</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loan	<u>10,633</u>	<u>10,000</u>
Amounts falling between one and two years:		
Bank loan	<u>10,633</u>	<u>10,000</u>
Amounts falling due between two and five years:		
Bank loan	<u>12,267</u>	<u>24,167</u>

THE ISLAMIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2023

18. SECURED DEBTS

The following secured debts are included within creditors:

	2023	2022
	£	£
Bank loans	<u>33,533</u>	<u>44,167</u>

Bank loans are secured on the asset to which they relate.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	2023 Total funds	2022 Total funds
	£	£	£	£
Fixed assets	2,117,400	-	2,117,400	2,160,118
Investments	1,692,701	-	1,692,701	1,656,701
Current assets	373,557	47,765	421,322	444,025
Current liabilities	(238,748)	-	(238,748)	(207,533)
Long term liabilities	(22,900)	-	(22,900)	(34,167)
	<u>3,922,010</u>	<u>47,765</u>	<u>3,969,775</u>	<u>4,019,144</u>

20. MOVEMENT IN FUNDS

	At 1.1.23	Net movement in funds	Transfers between funds	At 31.12.23
	£	£	£	£
Unrestricted funds				
General fund	3,971,473	(44,849)	(4,614)	3,922,010
Restricted funds				
Scholarship	46,206	-	-	46,206
IF Kenya	1,465	(4,520)	4,614	1,559
	<u>47,671</u>	<u>(4,520)</u>	<u>4,614</u>	<u>47,765</u>
TOTAL FUNDS	<u>4,019,144</u>	<u>(49,369)</u>	<u>-</u>	<u>3,969,775</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	489,853	(534,702)	(44,849)
Restricted funds			
IF Kenya	3,840	(8,360)	(4,520)
TOTAL FUNDS	<u>493,693</u>	<u>(543,062)</u>	<u>(49,369)</u>

THE ISLAMIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2023

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	3,958,918	10,984	1,571	3,971,473
Restricted funds				
Scholarship	46,206	-	-	46,206
IF Kenya	-	3,036	(1,571)	1,465
	<u>46,206</u>	<u>3,036</u>	<u>(1,571)</u>	<u>47,671</u>
TOTAL FUNDS	<u>4,005,124</u>	<u>14,020</u>	<u>-</u>	<u>4,019,144</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	509,264	(498,280)	10,984
Restricted funds			
IF Kenya	19,100	(16,064)	3,036
	<u>528,364</u>	<u>(514,344)</u>	<u>14,020</u>
TOTAL FUNDS	<u>528,364</u>	<u>(514,344)</u>	<u>14,020</u>

IF Kenya

The fund provides educational programmes and courses to orphans and schools in Kenya.

21. RELATED PARTY DISCLOSURES

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

During the year IF also received income amounting to £37,940 (2022 - £28,100) from MIHE with respect to rent and office expenses.

At the balance sheet date the amount due from MIHE was £57,269 (2022 - £30,158).

At the balance sheet date IF was owed £85,640 by a company with personnel in common (2022- £83,240).

At the balance sheet date IF owed a trust £115,000, this being set against an interest in a property owned by IF. This trust has a trustee in common with IF (2022- £115,000).

At the year end two trustees have an interest in a property owned by IF, this property was last valued at £800,000.

THE ISLAMIC FOUNDATION
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 December 2023

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	99,164	170,088
Investment income		
Rents received	204,874	192,083
Deposit account interest	1,931	1,408
	<u>206,805</u>	<u>193,491</u>
Charitable activities		
Hire of conference facilities	130,019	115,989
Maktab income	14,247	8,420
Project funding	4,590	4,940
	<u>148,856</u>	<u>129,349</u>
Other income		
Service charges receivable	28,440	18,600
Other income	10,428	16,836
	<u>38,868</u>	<u>35,436</u>
Total incoming resources	493,693	528,364
EXPENDITURE		
Other trading activities		
Bad debts	5,050	-
Property management expenses	6,088	7,566
Madressa costs	14,080	5,040
	<u>25,218</u>	<u>12,606</u>
Charitable activities		
Wages	189,326	198,992
Social security	10,267	11,530
Pensions	3,108	3,366
Donations paid	8,360	17,217
	<u>211,061</u>	<u>231,105</u>
Other		
Hire of equipment	2,284	2,982
Advertising and promotion	-	58
Rates and water	35,647	40,385
Insurance	7,506	9,623
Light and heat	87,656	52,302
Carried forward	133,093	105,350

This page does not form part of the statutory financial statements

THE ISLAMIC FOUNDATION
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 December 2023

	2023 £	2022 £
Other		
Brought forward	133,093	105,350
Motor and travel expenses	530	1,143
Printing, postage and stationery	6,027	6,349
Telephone	3,363	3,342
IT and internet costs	9,692	1,711
Library costs	7,882	12,078
Repairs and maintenance	28,862	23,304
Cleaning	13,421	15,379
Bank charges	57	222
Legal and professional	3,975	5,495
Financial operations	18,350	18,025
Meals and accommodation	21,429	21,528
Entertainment	224	200
Consulting and Training	3,040	-
Deprec - Office equipment	47,546	48,247
Bank loan interest	292	760
	<u>297,783</u>	<u>263,133</u>
Support costs		
Governance costs		
Auditors' remuneration	9,000	7,500
Total resources expended	<u>543,062</u>	<u>514,344</u>
Net (expenditure)/income	<u>(49,369)</u>	<u>14,020</u>

This page does not form part of the statutory financial statements

THE ISLAMIC FOUNDATION

England & Wales - Charity number 1160353

Accounts

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
THE ISLAMIC FOUNDATION**

THE ISLAMIC FOUNDATION
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FOR THE YEAR ENDED 31 DECEMBER 2022

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THE ISLAMIC FOUNDATION
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2022

TRUSTEES

Prof A Ahmad
Dr M A Bari
Dr M Ahsan
Prof K Ahmad
Dr Z Parvez
Dr R Mohammed
Dr M R M Lebbai

PRINCIPAL ADDRESS

The Markfield Conference Centre
Ratby Lane
Leicester
Leicestershire
LE67 9SY

REGISTERED CHARITY NUMBER

1160353

AUDITORS

TC Group
31 High View Close
Hamilton Office Park
Leicester
Leicestershire
LE4 9LJ

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The key purpose of the charity is to promote an understanding of Islam and the Islamic world, in accordance with the objectives laid out in the trust deeds. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

The Islamic Foundation is dedicated to the service of knowledge through research, education, training, and publishing with the aim of promoting a more informed understanding of the Islamic faith, both amongst Muslims and others, and foster better relations between Muslims and people of other faiths and none.

Public benefit

The Islamic Foundation is working to provide the general public with a better understanding of the Islamic faith, both amongst Muslims and non-Muslims, and foster better relations between Muslims and people of other faiths and none. The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year under review the Foundation maintained its research, education, inter-faith and publishing activities. We are pleased that the activities normalised after the Covid set back. However, the impact and challenges remained due to rising costs and reduced funding. We continued to work closely with our diverse range of volunteers, well-wishers and partners which helped us to expand the institution's profile and community services such as Eid festival, weekend school and weekend retreats.

Last year, the foundation launched its research programme. This programme will focus on community issues based on Census 2021 findings, mosques and youth development.

The Foundation continued to develop and publish books through Kube Publishing. They included academic, general, classics and children's titles.

The Foundation liaised with various charities and sponsors in relation to the distribution of our books to poor and low-income children and families in UK and abroad.

The Muslim World Book Review (MWBR) published 4 issues of its 42nd and 43rd volume. It was also launched in the digital format on www.mwbr.org.uk.

Markfield Conference Centre continues to provide unique facilities for the communities from across UK and even Europe. A diverse range of community groups visited the centre for their educational, social and cultural activities. The Foundation contributed to the educational and training programmes of some of these groups. Our mosque, now a registered place of worship, is used extensively by many visitors, especially on Friday.

The Islamic Foundation Library provided an effective and efficient information service to all its users. These included students of BA, MA, MPhil and PhD studying at the Markfield Institute of Higher Education (MIHE), as well as long and short-term visiting researchers, and members of academic and non-academic staff at the Foundation. During the year, the library added over 300 new books in Arabic, English and Urdu. The subject areas include the Qur'an, Seera, Islamic Banking & Finance, Interfaith studies and pluralism, Islamic Law and Philosophy, history and culture of Muslims in Europe, particularly British Muslims. The library has also been exploring new electronic resources.

The trustees participated and contributed to various organisations actively and conducted lectures and training online.

FINANCIAL REVIEW

Financial position

At the end of the financial year the total funds stood at £4,019,144 (2021: £4,005,124). The trustees believe this to be a sound footing to invest in the future of the charity.

The operating turnover was £528,364 (2021 - £457,314) against expenditure of £514,344 (2021 - £494,012).

As a charity the public has the assurance that all funds generated must be applied for the purposes of the charity's objectives and activities. As a charity we enjoy tax exemption on our charitable activities and our investment income and gains provided these are applied for our charitable aims. The financial benefits we receive from the tax exemptions are all applied to help maintain our objectives.

Reserves policy

Reserves are maintained at a level that enabled the Charity to manage financial risk and short-term income volatility. They allow the Charity to sustain optimal levels of expenditure, ensuring that financial commitments can be met as they fall due. Our reserves policy allocates money from unrestricted fund balances, which are not invested in fixed assets, held in our 60 and 120 days, reserves accounts. The reserves amount was capped at £50,000 for the financial year ended 31st December 2022 which is meant to be used in bridging any possible delays in receiving donations or managing payments in arrears. The period of delay has been defined as a minimum of a three months budgeted trading activity. This policy is however reviewed on six months basis twice in a financial period, as circumstances evolve and change during the course of the next financial year, matching changes to the annual budget.

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

FUTURE PLANS

Besides the income from investments, revenue from the hiring of the conference facilities, fees from educational programmes, grants from national and international charitable foundations remain the major sources of our finance. The Foundation has always had a policy of building our endowment fund based on property investment. It has performed well to date. In the post Pandemic a major objective for the future is to use digital marketing for fundraising to expand our donor base. This will allow us to further expand charitable activities such as educational programmes for the youth, mosque leadership the library services and the academic activities such as research seminars, publications and journals. We are also close to securing the planning consent to modernise our conference facilities to widen the user base to professional and higher educational activities, thus, enhancing the revenue.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Islamic Foundation is registered as a Charitable Incorporated Organisation (CIO), number 1160353, and is considered to have no liability to taxation on its income.

Recruitment and appointment of new trustees

The election of the trustees is formalised in the constitution.

Organisational structure

The Trustees who have ultimate responsibility for maintenance of the Islamic Foundation and its policy and strategic direction, have delegated the day-to-day management of the Foundation to its Director General, who operates through Senior Executive Committee (SEC) consisting of both selected trustees and the departmental and project heads.

The co-ordination of the management of the Islamic Foundation on behalf of the trustees is the responsibility of the Secretary of the Foundation.

The Trustees maintain contact with and participation in the decision-making process of the Foundation through the Administrative Committee which meets quarterly and its sub committees, when formed, meet as required.

Induction and training of new trustees

Trustees are appointed with no limit to their tenure and as and when the board requires. The appointment of Trustees is preceded by consultation to ensure they are aware of the aims and objectives of the charity and their responsibilities. They are provided regular updates on the regulations and their legal and institutional duties.

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 charity will continue in business.

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 27 October 2023 and signed on its behalf by:

M. M. Ahsan.

Dr M Ahsan - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE ISLAMIC FOUNDATION**

Opinion

We have audited the financial statements of The Islamic Foundation (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditors' responsibilities 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 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 charity'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.

Matters on which we are required to report by exception

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE ISLAMIC FOUNDATION**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

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

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 charity 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.

We understood how the charity 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 assessed the susceptibility of the charity'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 charity 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE ISLAMIC FOUNDATION

Use of our report

This report is made solely to the charity's 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 charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

TC Group

TC Group
31 High View Close
Hamilton Office Park
Leicester
Leicestershire
LE4 9LJ

Date: 30.10.2023

THE ISLAMIC FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	150,988	19,100	170,088	109,205
Charitable activities					
Hire of Conference facilities	4	115,989	-	115,989	43,806
Project funding		4,940	-	4,940	1,547
Maktab/Madressa		8,420	-	8,420	-
Investment income	3	193,491	-	193,491	173,902
Other income	5	35,436	-	35,436	128,854
Total		<u>509,264</u>	<u>19,100</u>	<u>528,364</u>	<u>457,314</u>
EXPENDITURE ON					
Raising funds	6	12,606	-	12,606	6,960
Charitable activities					
Donations	7	1,153	16,064	17,217	27,000
General costs		221,388	-	221,388	192,012
Other		263,133	-	263,133	268,040
Total		<u>498,280</u>	<u>16,064</u>	<u>514,344</u>	<u>494,012</u>
NET INCOME/(EXPENDITURE)					
Transfers between funds	20	10,984	3,036	14,020	(36,698)
		<u>1,571</u>	<u>(1,571)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>12,555</u>	<u>1,465</u>	<u>14,020</u>	<u>(36,698)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		3,958,918	46,206	4,005,124	4,041,822
TOTAL FUNDS CARRIED FORWARD		<u><u>3,971,473</u></u>	<u><u>47,671</u></u>	<u><u>4,019,144</u></u>	<u><u>4,005,124</u></u>

The notes form part of these financial statements

THE ISLAMIC FOUNDATION

BALANCE SHEET
31 DECEMBER 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	12	2,160,118	2,203,754
Investment property	13	1,656,701	1,656,701
		<u>3,816,819</u>	<u>3,860,455</u>
CURRENT ASSETS			
Debtors	14	234,149	201,780
Cash at bank and in hand		209,876	221,923
		<u>444,025</u>	<u>423,703</u>
CREDITORS			
Amounts falling due within one year	15	(207,533)	(234,867)
		<u>236,492</u>	<u>188,836</u>
NET CURRENT ASSETS			
		4,053,311	4,049,291
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	16	(34,167)	(44,167)
		<u>4,019,144</u>	<u>4,005,124</u>
NET ASSETS			
FUNDS	20		
Unrestricted funds		3,971,473	3,958,918
Restricted funds		47,671	46,206
		<u>4,019,144</u>	<u>4,005,124</u>
TOTAL FUNDS			

The financial statements were approved by the Board of Trustees and authorised for issue on 27 October 2023 and were signed on its behalf by:

M. M. Ahsan

M Ahsan - Trustee

The notes form part of these financial statements

THE ISLAMIC FOUNDATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

Notes	2022 £	2021 £
Cash flows from operating activities		
Cash generated from operations	(2,251)	145,707
Interest paid	(760)	(4,163)
Net cash (used in)/provided by operating activities	<u>(3,011)</u>	<u>141,544</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(4,611)	(545)
Interest received	1,408	994
Net cash (used in)/provided by investing activities	<u>(3,203)</u>	<u>449</u>
Cash flows from financing activities		
New loans in year	-	50,000
Loan repayments in year	(5,833)	(107,620)
Net cash used in financing activities	<u>(5,833)</u>	<u>(57,620)</u>
Change in cash and cash equivalents in the reporting period	<u>(12,047)</u>	<u>84,373</u>
Cash and cash equivalents at the beginning of the reporting period	<u>221,923</u>	<u>137,550</u>
Cash and cash equivalents at the end of the reporting period	<u><u>209,876</u></u>	<u><u>221,923</u></u>

The notes form part of these financial statements

THE ISLAMIC FOUNDATION

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	2022	2021
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	14,020	(36,698)
Adjustments for:		
Depreciation charges	48,247	49,189
Interest received	(1,408)	(994)
Interest paid	760	4,163
(Increase)/decrease in debtors	(32,369)	102,623
(Decrease)/increase in creditors	(31,501)	27,424
Net cash (used in)/provided by operations	<u>(2,251)</u>	<u>145,707</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank and in hand	221,923	(12,047)	209,876
	<u>221,923</u>	<u>(12,047)</u>	<u>209,876</u>
Debt			
Debts falling due within 1 year	(5,833)	(4,167)	(10,000)
Debts falling due after 1 year	(44,167)	10,000	(34,167)
	<u>(50,000)</u>	<u>5,833</u>	<u>(44,167)</u>
Total	<u>171,923</u>	<u>(6,214)</u>	<u>165,709</u>

The notes form part of these financial statements

THE ISLAMIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Going concern

The accounts have been prepared on a going concern basis. The Trustees consider that there are no material uncertainties regarding the Charity's ability to continue as a going concern. The Trustees are of the opinion that the Charity will have access to sufficient funds to enable it operate for at least one year from the signing of the balance sheet.

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.

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Income from the hire of the charity's facilities is recognised on a receivable basis

Investment income is recognised on a receivable basis

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.

Tangible fixed assets

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

Freehold property	- 2% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% 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 tax on its charitable activities.

THE ISLAMIC FOUNDATION

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

1. ACCOUNTING POLICIES - continued

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

2. DONATIONS AND LEGACIES

	2022 £	2021 £
Donations	<u>170,088</u>	<u>109,205</u>

3. INVESTMENT INCOME

	2022 £	2021 £
Rents received	192,083	172,908
Deposit account interest	1,408	994
	<u>193,491</u>	<u>173,902</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022 £	2021 £
Hire of conference facilities	Hire of Conference facilities	115,989	43,806
Project funding	Project funding	4,940	1,547
Maktab income	Maktab/Madressa	8,420	-
		<u>129,349</u>	<u>45,353</u>

5. OTHER INCOME

	2022 £	2021 £
Service charges receivable	18,600	19,660
Other income	16,836	7,303
COVID- government grants	-	101,891
	<u>35,436</u>	<u>128,854</u>

THE ISLAMIC FOUNDATION

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

6. RAISING FUNDS

Other trading activities

	2022	2021
	£	£
Property management expenses	7,566	6,960
Madressa costs	5,040	-
	<u>12,606</u>	<u>6,960</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 8)	Totals
	£	£	£
Donations	17,217	-	17,217
General costs	213,888	7,500	221,388
	<u>231,105</u>	<u>7,500</u>	<u>238,605</u>

8. SUPPORT COSTS

	Governance costs
	£
General costs	7,500
	<u>7,500</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

10. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	198,992	173,734
Social security costs	11,530	8,975
Other pension costs	3,366	2,453
	<u>213,888</u>	<u>185,162</u>

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

	2022	2021
Administration and governance	6	7
Other	4	3
	<u>10</u>	<u>10</u>

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

THE ISLAMIC FOUNDATION

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	81,190	28,015	109,205
Charitable activities			
Hire of Conference facilities	43,806	-	43,806
Project funding	1,547	-	1,547
Investment income	173,902	-	173,902
Other income	128,854	-	128,854
Total	<u>429,299</u>	<u>28,015</u>	<u>457,314</u>
EXPENDITURE ON			
Raising funds	6,960	-	6,960
Charitable activities			
Donations	-	27,000	27,000
General costs	192,012	-	192,012
Other	268,007	33	268,040
Total	<u>466,979</u>	<u>27,033</u>	<u>494,012</u>
NET INCOME/(EXPENDITURE)	(37,680)	982	(36,698)
Transfers between funds	(224)	224	-
Net movement in funds	<u>(37,904)</u>	<u>1,206</u>	<u>(36,698)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	3,996,822	45,000	4,041,822
TOTAL FUNDS CARRIED FORWARD	<u><u>3,958,918</u></u>	<u><u>46,206</u></u>	<u><u>4,005,124</u></u>

THE ISLAMIC FOUNDATION

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

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2022	2,341,154	69,634	249	283	2,411,320
Additions	-	4,611	-	-	4,611
At 31 December 2022	2,341,154	74,245	249	283	2,415,931
DEPRECIATION					
At 1 January 2022	183,565	23,590	128	283	207,566
Charge for year	43,151	5,066	30	-	48,247
At 31 December 2022	226,716	28,656	158	283	255,813
NET BOOK VALUE					
At 31 December 2022	2,114,438	45,589	91	-	2,160,118
At 31 December 2021	2,157,589	46,044	121	-	2,203,754

13. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2022 and 31 December 2022	1,656,701
NET BOOK VALUE	
At 31 December 2022	1,656,701
At 31 December 2021	1,656,701

Investment properties were reviewed by the trustees at the year end taking into account their knowledge of local market conditions and the condition of the properties owned by the trust. In their opinion the value shown in the financial statements represents a materially fair value.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	35,468	53,860
Kube Publishing Limited	83,240	83,140
Markfield Institute of Higher Education	69,687	52,386
Prepayments and accrued income	45,754	12,394
	234,149	201,780

THE ISLAMIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 17)	10,000	5,833
Trade creditors	15,641	41,880
Taxation and social security	4,546	5,739
Other creditors	177,346	181,415
	<u>207,533</u>	<u>234,867</u>

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

	2022	2021
	£	£
Bank loans (see note 17)	<u>34,167</u>	<u>44,167</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank loan	<u>10,000</u>	<u>5,833</u>
Amounts falling between one and two years:		
Bank loan	<u>10,000</u>	<u>10,000</u>
Amounts falling due between two and five years:		
Bank loan	<u>24,167</u>	<u>30,000</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loan	-	4,167

18. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank loans	<u>44,167</u>	<u>50,000</u>

Bank loans are secured on the asset to which they relate.

THE ISLAMIC FOUNDATION

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
Fixed assets	2,160,118	-	2,160,118	2,203,754
Investments	1,656,701	-	1,656,701	1,656,701
Current assets	396,354	47,671	444,025	423,703
Current liabilities	(207,533)	-	(207,533)	(234,867)
Long term liabilities	(34,167)	-	(34,167)	(44,167)
	<u>3,971,473</u>	<u>47,671</u>	<u>4,019,144</u>	<u>4,005,124</u>

20. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	3,958,918	10,984	1,571	3,971,473
Restricted funds				
Scholarship	46,206	-	-	46,206
IF Kenya	-	3,036	(1,571)	1,465
	<u>46,206</u>	<u>3,036</u>	<u>(1,571)</u>	<u>47,671</u>
TOTAL FUNDS	<u>4,005,124</u>	<u>14,020</u>	<u>-</u>	<u>4,019,144</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	509,264	(498,280)	10,984
Restricted funds			
IF Kenya	19,100	(16,064)	3,036
TOTAL FUNDS	<u>528,364</u>	<u>(514,344)</u>	<u>14,020</u>

THE ISLAMIC FOUNDATION

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

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	3,996,822	(37,680)	(224)	3,958,918
Restricted funds				
Scholarship	45,000	-	-	45,000
IF Kenya	-	982	224	1,206
	<u>45,000</u>	<u>982</u>	<u>224</u>	<u>46,206</u>
TOTAL FUNDS	<u>4,041,822</u>	<u>(36,698)</u>	<u>-</u>	<u>4,005,124</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	429,299	(466,979)	(37,680)
Restricted funds			
IF Kenya	28,015	(27,033)	982
TOTAL FUNDS	<u>457,314</u>	<u>(494,012)</u>	<u>(36,698)</u>

IF Kenya

The fund provides educational programmes and courses to orphans and schools in Kenya.

21. RELATED PARTY DISCLOSURES

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

During the year IF also received income amounting to £28,100 (2021 - £24,460) from MIHE with respect to rent and office expenses.

At the balance sheet date the amount due from MIHE was £30,158 (2021 - £9,386).

At the balance sheet date IF was owed £83,240 by a company with personnel in common (2021- £83,140).

At the balance sheet date IF owed a trust £115,000, this being set against an interest in a property owned by IF. This trust has a trustee in common with IF (2021- £115,000).

At the year end two trustees have an interest in a property owned by IF, this property was last valued at £800,000.

THE ISLAMIC FOUNDATION
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	170,088	109,205
Investment income		
Rents received	192,083	172,908
Deposit account interest	1,408	994
	<u>193,491</u>	<u>173,902</u>
Charitable activities		
Hire of conference facilities	115,989	43,806
Maktab income	8,420	-
Project funding	4,940	1,547
	<u>129,349</u>	<u>45,353</u>
Other income		
Service charges receivable	18,600	19,660
Other income	16,836	7,303
COVID- government grants	-	101,891
	<u>35,436</u>	<u>128,854</u>
Total incoming resources	<u>528,364</u>	<u>457,314</u>
EXPENDITURE		
Other trading activities		
Property management expenses	7,566	6,960
Madressa costs	5,040	-
	<u>12,606</u>	<u>6,960</u>
Charitable activities		
Wages	198,992	173,734
Social security	11,530	8,975
Pensions	3,366	2,453
Donations paid	17,217	27,000
	<u>231,105</u>	<u>212,162</u>
Other		
Hire of equipment	2,982	2,570
Advertising and promotion	58	1,350
Rates and water	40,385	63,321
Insurance	9,623	11,023
Light and heat	52,302	48,248
Carried forward	105,350	126,512

This page does not form part of the statutory financial statements

THE ISLAMIC FOUNDATION
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Other		
Brought forward	105,350	126,512
Motor and travel expenses	1,143	2,301
Printing, postage and stationery	6,349	6,219
Telephone	3,342	4,572
IT and internet costs	1,711	3,552
Library costs	12,078	9,790
Repairs and maintenance	23,304	18,847
Cleaning	15,379	7,585
Bank charges	222	1,176
Legal and professional	5,495	7,570
Financial operations	18,025	18,000
Meals and accommodation	21,528	8,426
Entertainment	200	138
Freehold property dep'n	43,152	44,032
Fixtures & fittings dep'n	5,065	5,116
Motor vehicle dep'n	30	41
Bank interest	-	1
Bank loan interest	760	4,162
	<u>263,133</u>	<u>268,040</u>
Support costs		
Governance costs		
Auditors' remuneration	7,500	6,850
	<u>514,344</u>	<u>494,012</u>
Net income/(expenditure)	<u><u>14,020</u></u>	<u><u>(36,698)</u></u>

This page does not form part of the statutory financial statements

THE ISLAMIC FOUNDATION

England & Wales - Charity number 1160353

Accounts

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
THE ISLAMIC FOUNDATION**

THE ISLAMIC FOUNDATION
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For The Year Ended 31 December 2021

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THE ISLAMIC FOUNDATION
REFERENCE AND ADMINISTRATIVE DETAILS
For The Year Ended 31 December 2021

TRUSTEES

Prof A Ahmad
Dr M A Bari
Dr M Ahsan
Prof K Ahmad
Dr Z Parvez
Dr R Mohammed
Dr M R M Lebbai

PRINCIPAL ADDRESS

The Markfield Conference Centre
Ratby Lane
Leicester
Leicestershire
LE67 9SY

REGISTERED CHARITY NUMBER

1160353

AUDITORS

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

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
For The Year Ended 31 December 2021

The trustees 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 key purpose of the charity is to promote an understanding of Islam and the Islamic world, in accordance with the objectives laid out in the trust deeds. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

The Islamic Foundation is dedicated to the service of knowledge through research, education, training, and publishing with the aim of promoting a more informed understanding of the Islamic faith, both amongst Muslims and others, and foster better relations between Muslims and people of other faiths and none.

Public benefit

The Islamic Foundation is working to provide the general public with a better understanding of the Islamic faith, both amongst Muslims and non-Muslims, and foster better relations between Muslims and people of other faiths and none. The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
For The Year Ended 31 December 2021

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year under review the Foundation maintained its research, education, inter-faith and publishing activities, though heavily curtailed due to the Covid-19 pandemic. The conference centre remained closed till the easing of restrictions towards the end of summer. This severely affected our strategic plans and financial situation. However, by working closely with our diverse range of volunteers and well-wishers and partners we continued to maintain the institution's profile and contribution through digital activities.

Prior to the pandemic, the Islamic Foundation increased its outreach programmes with a families' event. Last year, the volunteers group continued to help in organising community events, particularly, open air Eid prayers and activities.

The Foundation continued to develop and publish books through Kube Publishing. They included academic, general, classics and children's titles.

The Foundation liaised with various charities and sponsors in relation to the distribution of our books to poor and low-income children and families in UK and abroad.

The Muslim World Book Review (MWBR) published 4 issues of its 41st and 42nd volume. It was also launched in the digital format on www.mwbr.org.uk.

Markfield Conference Centre was opened once the Covid-19 restrictions were lifted. A diverse range of community groups visited the centre for their educational, social and cultural activities. The Foundation contributed to the educational and training programmes of some of these groups. Our mosque, now a registered place of worship, is used extensively by many visitors, especially on Friday.

The Islamic Foundation Library provided an effective and efficient information service to all its users. These included students of BA, MA, MPhil and PhD studying at the Markfield Institute of Higher Education (MIHE), as well as long and short-term visiting researchers, and members of academic and non-academic staff at the Foundation. During the year, the library added over 300 new books in Arabic, English and Urdu. They range from subject areas including the Qur'an, Seera, Islamic Banking & Finance, Interfaith studies and pluralism, Islamic Law and Philosophy, history and culture of Muslims in Europe, particularly British Muslims. The Library has also been exploring new electronic resources.

The trustees participated and contributed in various organisations actively and conducted lectures and training online.

FINANCIAL REVIEW

Financial position

At the end of the financial year the total funds stood at £4,005,124 (2020: £4,041,822). The trustees believe this to be a sound footing to invest in the future of the charity. Free reserves increased to £98,463 (2020: £87,722).

The income for the year was £457,314 (2020 - £395,329) against expenditure of £494,012 (2020 - £477,341).

As a charity the public has the assurance that all funds generated must be applied for the purposes of the charity's objectives and activities. As a charity we enjoy tax exemption on our charitable activities and our investment income and gains provided these are applied for our charitable aims. The financial benefits we receive from the tax exemptions are all applied to help maintain our objectives.

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
For The Year Ended 31 December 2021

FUTURE PLANS

Besides the income from investments, revenue from the hiring of the conference facilities, fees from educational programmes, grants from national and international charitable foundations remain the major sources of our finance. The Foundation has always had a policy of building our endowment fund based on property investment. It has performed well to date. In the post Pandemic a major objective for the future is to use digital marketing for fundraising to expand our donor base. This will allow us to further expand charitable activities such as educational programmes for the youth, mosque leadership the library services and the academic activities such as research seminars, publications and journals. We are also close to securing the planning consent to modernise our conference facilities to widen the user base to professional and higher educational activities, thus, enhancing the revenue.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Islamic Foundation is registered as a Charitable Incorporated Organisation (CIO), number 1160353, and is considered to have no liability to taxation on its income.

Recruitment and appointment of new trustees

The election of the trustees is formalised in the constitution.

Organisational structure

The Trustees who have ultimate responsibility for maintenance of the Islamic Foundation and its policy and strategic direction, have delegated the day-to-day management of the Foundation to its Director General, who operates through Senior Executive Committee (SEC) consisting of both selected trustees and the departmental and project heads.

The co-ordination of the management of the Islamic Foundation on behalf of the trustees is the responsibility of the Secretary of the Foundation.

The Trustees maintain contact with and participation in the decision-making process of the Foundation through the Administrative Committee which meets quarterly and its sub committees, when formed, meet as required.

Induction and training of new trustees

Trustees are appointed with no limit to their tenure and as and when the board requires. The appointment of Trustees is preceded by consultation to ensure they are aware of the aims and objectives of the charity and their responsibilities. They are provided regular updates on the regulations and their legal and institutional duties.

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
For The Year Ended 31 December 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 charity will continue in business.

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
For The Year Ended 31 December 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 17 August 2022 and signed on its behalf by:

M. M. Ahsan

Dr M Ahsan - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE ISLAMIC FOUNDATION**

Opinion

We have audited the financial statements of The Islamic Foundation (the 'charity') 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditors' responsibilities 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 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 charity'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.

Matters on which we are required to report by exception

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ISLAMIC FOUNDATION

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

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

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 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.

We understood how the charity 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 charity'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 charity 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE ISLAMIC FOUNDATION**

Use of our report

This report is made solely to the charity's 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 charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Fortus Audit LLP

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

Date: *17/8/2022*

THE ISLAMIC FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 December 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	81,190	28,015	109,205	63,568
Charitable activities					
Hire of Conference facilities	4	43,806	-	43,806	18,913
Project funding		1,547	-	1,547	2,853
Investment income	3	173,902	-	173,902	159,709
Other income	5	128,854	-	128,854	150,286
Total		<u>429,299</u>	<u>28,015</u>	<u>457,314</u>	<u>395,329</u>
EXPENDITURE ON					
Raising funds	6	6,960	-	6,960	5,458
Charitable activities					
Donations	7	-	27,000	27,000	-
General costs		192,012	-	192,012	217,088
Other		268,007	33	268,040	254,795
Total		<u>466,979</u>	<u>27,033</u>	<u>494,012</u>	<u>477,341</u>
Net gains on investments		-	-	-	59,000
NET INCOME/(EXPENDITURE)		<u>(37,680)</u>	<u>982</u>	<u>(36,698)</u>	<u>(23,012)</u>
Transfers between funds	19	<u>(224)</u>	<u>224</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(37,904)</u>	<u>1,206</u>	<u>(36,698)</u>	<u>(23,012)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>3,996,822</u>	<u>45,000</u>	<u>4,041,822</u>	<u>4,064,834</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>3,958,918</u></u>	<u><u>46,206</u></u>	<u><u>4,005,124</u></u>	<u><u>4,041,822</u></u>

The notes form part of these financial statements

THE ISLAMIC FOUNDATION

**BALANCE SHEET
31 December 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	12	2,203,754	-	2,203,754	2,252,399
Investment property	13	1,656,701	-	1,656,701	1,656,701
		3,860,455	-	3,860,455	3,909,100
CURRENT ASSETS					
Debtors	14	201,780	-	201,780	304,403
Cash at bank and in hand		175,717	46,206	221,923	137,550
		377,497	46,206	423,703	441,953
CREDITORS					
Amounts falling due within one year	15	(234,867)	-	(234,867)	(219,350)
		142,630	46,206	188,836	222,603
NET CURRENT ASSETS					
		4,003,085	46,206	4,049,291	4,131,703
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	16	(44,167)	-	(44,167)	(89,881)
		3,958,918	46,206	4,005,124	4,041,822
NET ASSETS					
FUNDS					
Unrestricted funds	19			3,958,918	3,996,822
Restricted funds				46,206	45,000
				4,005,124	4,041,822
TOTAL FUNDS					

The financial statements were approved by the Board of Trustees and authorised for issue on 17 August 2022 and were signed on its behalf by:

M. M. Ahsan

M Ahsan - Trustee

The notes form part of these financial statements

THE ISLAMIC FOUNDATION
CASH FLOW STATEMENT
For The Year Ended 31 December 2021

Notes	2021 £	2020 £
Cash flows from operating activities		
Cash generated from operations	145,707	(70,536)
Interest paid	(4,163)	(5,705)
	<u>141,544</u>	<u>(76,241)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(545)	(1,093)
Interest received	994	1,258
	<u>449</u>	<u>165</u>
Cash flows from financing activities		
New loans in year	50,000	-
Loan repayments in year	(107,620)	(16,971)
	<u>(57,620)</u>	<u>(16,971)</u>
Change in cash and cash equivalents in the reporting period		
	84,373	(93,047)
Cash and cash equivalents at the beginning of the reporting period		
	<u>137,550</u>	<u>230,597</u>
Cash and cash equivalents at the end of the reporting period		
	<u><u>221,923</u></u>	<u><u>137,550</u></u>

The notes form part of these financial statements

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

1.	RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES	2021	2020
		£	£
	Net expenditure for the reporting period (as per the Statement of Financial Activities)	(36,698)	(23,012)
	Adjustments for:		
	Depreciation charges	49,189	52,501
	Losses on investments	-	(59,000)
	Interest received	(994)	(1,258)
	Interest paid	4,163	5,705
	Decrease/(increase) in debtors	102,623	(40,379)
	Increase/(decrease) in creditors	27,424	(5,093)
		<u>145,707</u>	<u>(70,536)</u>
	Net cash provided by/(used in) operations	<u>145,707</u>	<u>(70,536)</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	137,550	84,373	221,923
		<u>137,550</u>	<u>84,373</u>	<u>221,923</u>
	Debt			
	Debts falling due within 1 year	(17,740)	11,907	(5,833)
	Debts falling due after 1 year	(89,881)	45,714	(44,167)
		<u>(107,621)</u>	<u>57,621</u>	<u>(50,000)</u>
	Total	<u>29,929</u>	<u>141,994</u>	<u>171,923</u>

The notes form part of these financial statements

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 charity, 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 Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Going concern

The accounts have been prepared on a going concern basis. The Trustees consider that there are no material uncertainties regarding the Charity's ability to continue as a going concern. The Trustees are of the opinion that the Charity will have access to sufficient funds to enable it operate for at least one year from the signing of the balance sheet.

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.

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Income from the hire of the charity's facilities is recognised on a receivable basis

Investment income is recognised on a receivable basis

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.

Tangible fixed assets

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

Freehold property	- 2% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% 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 tax on its charitable activities.

THE ISLAMIC FOUNDATION

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

1. ACCOUNTING POLICIES - continued

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	109,205	63,568

3. INVESTMENT INCOME

	2021	2020
	£	£
Rents received	172,908	158,451
Deposit account interest	994	1,258
	<u>173,902</u>	<u>159,709</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021	2020
		£	£
Hire of conference facilities	Hire of Conference facilities	43,806	18,913
Project funding	Project funding	1,547	2,853
		<u>45,353</u>	<u>21,766</u>

5. OTHER INCOME

	2021	2020
	£	£
Service charges receivable	19,660	16,556
Other income	7,303	11,848
COVID- government grants	101,891	121,882
	<u>128,854</u>	<u>150,286</u>

THE ISLAMIC FOUNDATION

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

6. RAISING FUNDS

Other trading activities

	2021	2020
	£	£
Property management expenses	<u>6,960</u>	<u>5,458</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 8)	Totals
	£	£	£
Donations	27,000	-	27,000
General costs	<u>185,162</u>	<u>6,850</u>	<u>192,012</u>
	<u>212,162</u>	<u>6,850</u>	<u>219,012</u>

8. SUPPORT COSTS

	Governance costs
	£
General costs	<u>6,850</u>

9. 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.

10. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	173,734	192,524
Social security costs	8,975	14,069
Other pension costs	<u>2,453</u>	<u>3,745</u>
	<u>185,162</u>	<u>210,338</u>

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

	2021	2020
Administration and governance	7	7
Other	<u>3</u>	<u>3</u>
	<u>10</u>	<u>10</u>

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

THE ISLAMIC FOUNDATION

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	63,568	-	63,568
Charitable activities			
Hire of Conference facilities	18,913	-	18,913
Project funding	2,853	-	2,853
Investment income	159,709	-	159,709
Other income	150,286	-	150,286
Total	395,329	-	395,329
EXPENDITURE ON			
Raising funds	5,458	-	5,458
Charitable activities			
General costs	217,088	-	217,088
Other	254,795	-	254,795
Total	477,341	-	477,341
Net gains on investments	59,000	-	59,000
NET INCOME/(EXPENDITURE)	(23,012)	-	(23,012)
RECONCILIATION OF FUNDS			
Total funds brought forward	4,019,834	45,000	4,064,834
TOTAL FUNDS CARRIED FORWARD	3,996,822	45,000	4,041,822

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

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2021	2,341,154	69,089	249	283	2,410,775
Additions	-	545	-	-	545
At 31 December 2021	<u>2,341,154</u>	<u>69,634</u>	<u>249</u>	<u>283</u>	<u>2,411,320</u>
DEPRECIATION					
At 1 January 2021	139,532	18,474	87	283	158,376
Charge for year	44,033	5,116	41	-	49,190
At 31 December 2021	<u>183,565</u>	<u>23,590</u>	<u>128</u>	<u>283</u>	<u>207,566</u>
NET BOOK VALUE					
At 31 December 2021	<u>2,157,589</u>	<u>46,044</u>	<u>121</u>	<u>-</u>	<u>2,203,754</u>
At 31 December 2020	<u>2,201,622</u>	<u>50,615</u>	<u>162</u>	<u>-</u>	<u>2,252,399</u>

13. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2021 and 31 December 2021	<u>1,656,701</u>
NET BOOK VALUE	
At 31 December 2021	<u>1,656,701</u>
At 31 December 2020	<u>1,656,701</u>

Investment properties were reviewed by the trustees at the year end taking into account their knowledge of local market conditions and the condition of the properties owned by the trust. In their opinion the value shown in the financial statements represents a materially fair value.

14. DEBTORS

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	53,860	49,548
Kube Publishing Limited	83,140	83,140
Markfield Institute of Higher Education	52,386	95,069
VAT	-	2,883
Prepayments and accrued income	12,394	11,966
	<u>201,780</u>	<u>242,606</u>

THE ISLAMIC FOUNDATION

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

14. DEBTORS - continued		
	2021	2020
	£	£
Amounts falling due after more than one year: Markfield Institute of Higher Education	-	61,797
	<u> </u>	<u> </u>
Aggregate amounts	<u>201,780</u>	<u>304,403</u>
15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2021	2020
	£	£
Bank loans and overdrafts (see note 17)	5,833	17,740
Trade creditors	41,880	15,929
Taxation and social security	5,739	2,733
Other creditors	181,415	182,948
	<u>234,867</u>	<u>219,350</u>
16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2021	2020
	£	£
Bank loans (see note 17)	44,167	89,881
	<u> </u>	<u> </u>
17. LOANS		
An analysis of the maturity of loans is given below:		
	2021	2020
	£	£
Amounts falling due within one year on demand: Bank loan	5,833	17,740
	<u> </u>	<u> </u>
Amounts falling between one and two years: Bank loan	10,000	18,627
	<u> </u>	<u> </u>
Amounts falling due between two and five years: Bank loan	30,000	48,137
	<u> </u>	<u> </u>
Amounts falling due in more than five years:		
Repayable by instalments: Bank loan	4,167	23,117

THE ISLAMIC FOUNDATION

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

18. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Bank loans	<u>50,000</u>	<u>107,621</u>

Bank loans are secured on the asset to which they relate.

19. MOVEMENT IN FUNDS

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	3,996,822	(37,680)	(224)	3,958,918
Restricted funds				
Scholarship	45,000	-	-	45,000
IF Kenya	-	982	224	1,206
	<u>45,000</u>	<u>982</u>	<u>224</u>	<u>46,206</u>
TOTAL FUNDS	<u>4,041,822</u>	<u>(36,698)</u>	<u>-</u>	<u>4,005,124</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	429,299	(466,979)	(37,680)
Restricted funds			
IF Kenya	28,015	(27,033)	982
TOTAL FUNDS	<u>457,314</u>	<u>(494,012)</u>	<u>(36,698)</u>

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	4,019,834	(23,012)	3,996,822
Restricted funds			
Scholarship	45,000	-	45,000
TOTAL FUNDS	<u>4,064,834</u>	<u>(23,012)</u>	<u>4,041,822</u>

THE ISLAMIC FOUNDATION

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

19. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	395,329	(477,341)	59,000	(23,012)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>395,329</u>	<u>(477,341)</u>	<u>59,000</u>	<u>(23,012)</u>

IF Kenya

The fund provides educational programmes and courses to orphans and schools in Kenya.

20. RELATED PARTY DISCLOSURES

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

During the year IF also received income amounting to £24,460 (2020 - £28,556) from MIHE with respect to rent and office expenses.

At the balance sheet date the amount due from MIHE was £9,386 (2020 - £113,196).

During the year IF received £nil in donations from a trust with Trustees in common (2020- £200).

At the balance sheet date IF was owed £83,140 by a company with personnel in common (2020- £83,140).

At the balance sheet date IF owed a trust £115,000, this being set against an interest in a property owned by IF. This trust has a trustee in common with IF (2020- £115,000).

At the year end two trustees have an interest in a property owned by IF, this property was last valued at £800,000.

THE ISLAMIC FOUNDATION
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 December 2021

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	109,205	63,568
Investment income		
Rents received	172,908	158,451
Deposit account interest	994	1,258
	<u>173,902</u>	<u>159,709</u>
Charitable activities		
Hire of conference facilities	43,806	18,913
Project funding	1,547	2,853
	<u>45,353</u>	<u>21,766</u>
Other income		
Service charges receivable	19,660	16,556
Other income	7,303	11,848
COVID- government grants	101,891	121,882
	<u>128,854</u>	<u>150,286</u>
Total incoming resources	457,314	395,329
EXPENDITURE		
Other trading activities		
Property management expenses	6,960	5,458
Charitable activities		
Wages	173,734	192,524
Social security	8,975	14,069
Pensions	2,453	3,745
Donations paid	27,000	-
	<u>212,162</u>	<u>210,338</u>
Other		
Hire of equipment	2,570	2,221
Advertising and promotion	1,350	560
Rates and water	63,321	29,317
Insurance	11,023	18,605
Light and heat	48,248	48,360
Motor and travel expenses	2,301	594
Printing, postage and stationery	6,219	6,757
Telephone	4,572	2,748
IT and internet costs	3,552	2,203
Carried forward	143,156	111,365

This page does not form part of the statutory financial statements

THE ISLAMIC FOUNDATION
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 December 2021

	2021	2020
	£	£
Other		
Brought forward	143,156	111,365
Library costs	9,790	14,896
Repairs and maintenance	18,847	14,364
Cleaning	7,585	7,500
Bank charges	1,176	42
Legal and professional	7,570	26,676
Financial operations	18,000	18,452
Meals and accommodation	8,426	3,294
Entertainment	138	-
Freehold property dep'n	44,032	46,823
Fixtures & fittings dep'n	5,116	5,624
Motor vehicle dep'n	41	54
Bank interest	1	-
Bank loan interest	4,162	5,705
	<u>268,040</u>	<u>254,795</u>
Support costs		
Governance costs		
Auditors' remuneration	6,850	6,750
Total resources expended	<u>494,012</u>	<u>477,341</u>
Net expenditure	<u>(36,698)</u>	<u>(82,012)</u>

This page does not form part of the statutory financial statements

THE ISLAMIC FOUNDATION

England & Wales - Charity number 1160353

Accounts

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
THE ISLAMIC FOUNDATION

THE ISLAMIC FOUNDATION
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For The Year Ended 31 December 2020

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THE ISLAMIC FOUNDATION
REFERENCE AND ADMINISTRATIVE DETAILS
For The Year Ended 31 December 2020

TRUSTEES

Prof A Ahmad
Dr M A Bari
Dr M Ahsan
Prof K Ahmad
Dr Z Parvez
Dr R Mohammed
Dr M R M Lebbai

PRINCIPAL ADDRESS

The Markfield Conference Centre
Ratby Lane
Leicester
Leicestershire
LE67 9SY

REGISTERED CHARITY NUMBER

1160353

AUDITORS

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

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
For The Year Ended 31 December 2020

The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The key purpose of the charity is to promote an understanding of Islam and the Islamic world, in accordance with the objectives laid out in the trust deeds. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

The Islamic Foundation is dedicated to the service of knowledge through research, education, training, and publishing with the aim of promoting a more informed understanding of the Islamic faith, both amongst Muslims and others, and foster better relations between Muslims and people of other faiths and none.

Public benefit

The Islamic Foundation is working to provide the general public with a better understanding of the Islamic faith, both amongst Muslims and non-Muslims, and foster better relations between Muslims and people of other faiths and none. The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year under review the Foundation maintained its research, education, inter-faith and publishing activities, though heavily curtailed due to the Covid-19 pandemic. The conference centre had to be closed in mid-March which severely affected our strategic plans and financial situation. However, by working closely with our diverse range of volunteers and well-wishers and partners we continued to maintain the institution's profile and contribution through digital activities.

Prior to the pandemic, the Islamic Foundation increased its outreach programmes with a families' event.

The Islamic Foundation organised a roundtable seminar with Hamad Bin Khalifa University on Countering Extremism through Islam. The New Muslims Project conducted a research and published the report Conversion to Islam in Prisons and its aftermath.

The Foundation continued to develop and publish books through Kube Publishing. They included academic, general, classics and children's titles.

The Foundation liaised with various charities and sponsors in relation to the distribution of our books to poor and low-income children and families in UK and abroad.

The Muslim World Book Review (MWBR) published 4 issues of its 40th volume. It was also launched in the digital format on www.mwbr.org.uk.

Markfield Conference Centre was used by a diverse range of groups in the first quarter of the year for their educational, social and cultural activities. The Foundation contributed to the educational and training programmes of some of these groups. Our mosque, now a registered place of worship, is used extensively by many visitors, especially on Friday.

The Islamic Foundation Library provided an effective and efficient information service to all its users. These included students of BA, MA, MPhil and PhD studying at the Markfield Institute of Higher Education (MIHE), as well as long and short-term visiting researchers, and members of academic and non-academic staff at the Foundation. During the year, the library added over 200 new books in Arabic, English and Urdu. They range from subject areas including the Qur'an, Seera, Islamic Banking & Finance, Interfaith studies and pluralism, Islamic Law and Philosophy, history and culture of Muslims in Europe, particularly British Muslims. The Library has also been exploring new electronic resources.

The trustees participated and contributed in various organisations actively and conducted lectures and training online.

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
For The Year Ended 31 December 2020

FINANCIAL REVIEW

Financial position

At the end of the financial year the reserves stood at £4,041,822 (2019- £4,064,834). The trustees believe this to be sound footing to invest in the future of the charity.

The income for the year was £395,329 (2019 - £612,549) against an operating expenditure of £477,341 (2019 - £581,174).

As a charity the public has the assurance that all funds generated must be applied for the purposes of the charity's objectives and activities. As a charity we enjoy tax exemption on our charitable activities and our investment income and gains provided these are applied for our charitable aims. The financial benefits we receive from the tax exemptions are all applied to help maintain our objectives.

FUTURE PLANS

Besides the income from investments, revenue from the hiring of the conference facilities, fees from educational programmes, grants from national and international charitable foundations remain the major sources of our finance. The Foundation has always had a policy of building our endowment fund based on property investment. It has performed well to date. In the post Pandemic a major objective for the future is to use digital marketing for fundraising to expand our donor base. This will allow us to further expand charitable activities such as educational programmes for the youth, mosque leadership the library services and the academic activities such as research seminars, publications and journals. We are also close to securing the planning consent to modernise our conference facilities to widen the user base to professional and higher educational activities, thus, enhancing the revenue.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Islamic Foundation is registered as a Charitable Incorporated Organisation (CIO), number 1160353, and is considered to have no liability to taxation on its income.

Recruitment and appointment of new trustees

The election of the trustees is formalised in the constitution.

Organisational structure

The Trustees who have ultimate responsibility for maintenance of the Islamic Foundation and its policy and strategic direction, have delegated the day-to-day management of the Foundation to its Director General, who operates through Senior Executive Committee (SEC) consisting of both selected trustees and the departmental and project heads.

The co-ordination of the management of the Islamic Foundation on behalf of the trustees is the responsibility of the Secretary of the Foundation.

The Trustees maintain contact with and participation in the decision-making process of the Foundation through the Administrative Committee which meets quarterly and its sub committees, when formed, meet as required.

Induction and training of new trustees

Trustees are appointed with no limit to their tenure and as and when the board requires. The appointment of Trustees is preceded by consultation to ensure they are aware of the aims and objectives of the charity and their responsibilities. They are provided regular updates on the regulations and their legal and institutional duties.

THE ISLAMIC FOUNDATION
REPORT OF THE TRUSTEES
For The Year Ended 31 December 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance. Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 charity 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 charity and to 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 29 October 2021 and signed on its behalf by:

M. M. Ahsan

Dr M Ahsan - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE ISLAMIC FOUNDATION**

Opinion

We have audited the financial statements of The Islamic Foundation (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditors' responsibilities 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 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 charity'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.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE ISLAMIC FOUNDATION**

Our responsibilities for the audit of the financial statements

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

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

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. 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 charity 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 (Charities SORP (FRS 102) and the Charities Act 2011.

We understood how the charity 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 assessed the susceptibility of the charity'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 charity 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 charity's 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 charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Fortus Audit LLP

Fortus Audit LLP
Chartered Accountants & Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
31 High View Close
Hamilton Office Park
Leicester
Leicestershire
LE4 9LJ

29 October 2021

THE ISLAMIC FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 December 2020

	Notes	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	63,568	-	63,568	299,526
Charitable activities					
Hire of Conference facilities	4	18,913	-	18,913	90,256
Project funding		2,853	-	2,853	29,651
Investment income	3	159,709	-	159,709	166,225
Other income	5	<u>150,286</u>	<u>-</u>	<u>150,286</u>	<u>26,891</u>
Total		395,329	-	395,329	612,549
EXPENDITURE ON					
Raising funds	6	5,458	-	5,458	17,438
Charitable activities					
Donations	7	-	-	-	2,000
General costs		217,088	-	217,088	243,017
Other		<u>254,795</u>	<u>-</u>	<u>254,795</u>	<u>318,719</u>
Total		477,341	-	477,341	581,174
Net gains on investments		<u>59,000</u>	<u>-</u>	<u>59,000</u>	<u>-</u>
NET INCOME/(EXPENDITURE)		(23,012)	-	(23,012)	31,375
RECONCILIATION OF FUNDS					
Total funds brought forward		4,019,834	45,000	4,064,834	4,033,459
TOTAL FUNDS CARRIED FORWARD		<u>3,996,822</u>	<u>45,000</u>	<u>4,041,822</u>	<u>4,064,834</u>

The notes form part of these financial statements

THE ISLAMIC FOUNDATION

BALANCE SHEET
31 December 2020

	Notes	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	12	2,252,399	-	2,252,399	2,303,806
Investment property	13	<u>1,656,701</u>	-	<u>1,656,701</u>	<u>1,597,701</u>
		3,909,100	-	3,909,100	3,901,507
CURRENT ASSETS					
Debtors	14	304,403	-	304,403	264,024
Cash at bank and in hand		<u>92,550</u>	<u>45,000</u>	<u>137,550</u>	<u>230,597</u>
		396,953	45,000	441,953	494,621
CREDITORS					
Amounts falling due within one year	15	<u>(219,350)</u>	-	<u>(219,350)</u>	<u>(223,411)</u>
NET CURRENT ASSETS		<u>177,603</u>	<u>45,000</u>	<u>222,603</u>	<u>271,210</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,086,703	45,000	4,131,703	4,172,717
CREDITORS					
Amounts falling due after more than one year	16	<u>(89,881)</u>	-	<u>(89,881)</u>	<u>(107,883)</u>
NET ASSETS		<u>3,996,822</u>	<u>45,000</u>	<u>4,041,822</u>	<u>4,064,834</u>
FUNDS					
Unrestricted funds	19			3,996,822	4,019,834
Restricted funds				<u>45,000</u>	<u>45,000</u>
TOTAL FUNDS				<u>4,041,822</u>	<u>4,064,834</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 29 October 2021 and were signed on its behalf by:

M. M. Ahsan

M Ahsan - Trustee

The notes form part of these financial statements

THE ISLAMIC FOUNDATION
CASH FLOW STATEMENT
For The Year Ended 31 December 2020

Notes	2020 £	2019 £
Cash flows from operating activities		
Cash generated from operations	(70,536)	65,586
Interest paid	<u>(5,705)</u>	<u>(7,046)</u>
Net cash (used in)/provided by operating activities	<u>(76,241)</u>	<u>58,540</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,093)	(1,140)
Interest received	<u>1,258</u>	<u>1,580</u>
Net cash provided by investing activities	<u>165</u>	<u>440</u>
Cash flows from financing activities		
Loan repayments in year	<u>(16,971)</u>	<u>(15,916)</u>
Net cash used in financing activities	<u>(16,971)</u>	<u>(15,916)</u>
Change in cash and cash equivalents in the reporting period		
	(93,047)	43,064
Cash and cash equivalents at the beginning of the reporting period	<u>230,597</u>	<u>187,533</u>
Cash and cash equivalents at the end of the reporting period	<u>137,550</u>	<u>230,597</u>

The notes form part of these financial statements

THE ISLAMIC FOUNDATION
NOTES TO THE CASH FLOW STATEMENT
For The Year Ended 31 December 2020

1.	RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2020	2019	
		£	£	
	Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(23,012)	31,375	
	Adjustments for:			
	Depreciation charges	52,501	52,048	
	Losses on investments	(59,000)	-	
	Interest received	(1,258)	(1,580)	
	Interest paid	5,705	7,046	
	Increase in debtors	(40,379)	(11,826)	
	Decrease in creditors	(5,093)	(11,477)	
	Net cash (used in)/provided by operations	<u>(70,536)</u>	<u>65,586</u>	
2.	ANALYSIS OF CHANGES IN NET FUNDS			
		At 1.1.20	Cash flow	At 31.12.20
		£	£	£
	Net cash			
	Cash at bank and in hand	<u>230,597</u>	<u>(93,047)</u>	<u>137,550</u>
		<u>230,597</u>	<u>(93,047)</u>	<u>137,550</u>
	Debt			
	Debts falling due within 1 year	(16,710)	(1,030)	(17,740)
	Debts falling due after 1 year	<u>(107,883)</u>	<u>18,002</u>	<u>(89,881)</u>
		<u>(124,593)</u>	<u>16,972</u>	<u>(107,621)</u>
	Total	<u>106,004</u>	<u>(76,075)</u>	<u>29,929</u>

The notes form part of these financial statements

THE ISLAMIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 December 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Going concern

The accounts have been prepared on a going concern basis. The Trustees consider that there are no material uncertainties regarding the Charity's ability to continue as a going concern. The Trustees are of the opinion that the Charity will have access to sufficient funds to enable it operate for at least one year from the signing of the balance sheet.

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.

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Income from the hire of the charities facilities is recognised on a receivable basis

Investment income is recognised on a receivable basis

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.

Tangible fixed assets

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

Freehold property	- 2% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% 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 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 charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

THE ISLAMIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2020

2. DONATIONS AND LEGACIES		2020	2019
		£	£
Donations		<u>63,568</u>	<u>299,526</u>
3. INVESTMENT INCOME		2020	2019
		£	£
Rents received		158,451	164,645
Deposit account interest		<u>1,258</u>	<u>1,580</u>
		<u>159,709</u>	<u>166,225</u>
4. INCOME FROM CHARITABLE ACTIVITIES		2020	2019
		£	£
Hire of conference facilities	Activity	18,913	90,256
Project funding	Hire of Conference facilities	<u>2,853</u>	<u>29,651</u>
	Project funding	<u>21,766</u>	<u>119,907</u>
5. OTHER INCOME		2020	2019
		£	£
Service charges receivable		16,556	15,541
Other income		11,848	11,350
COVID- government grants		<u>121,882</u>	<u>-</u>
		<u>150,286</u>	<u>26,891</u>
6. RAISING FUNDS			
Other trading activities		2020	2019
		£	£
Property management expenses		<u>5,458</u>	<u>17,438</u>
7. CHARITABLE ACTIVITIES COSTS			
		Direct	Support
		Costs	costs (see
		£	note 8)
General costs		<u>210,338</u>	<u>6,750</u>
			Totals
			£
			<u>217,088</u>

THE ISLAMIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2020

8. SUPPORT COSTS

	Governance costs £ <u>6,750</u>
General costs	

9. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

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

10. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	192,524	223,253
Social security costs	14,069	16,489
Other pension costs	<u>3,745</u>	<u>3,275</u>
	<u>210,338</u>	<u>243,017</u>

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

	2020	2019
Administration and governance	7	7
Other	<u>3</u>	<u>3</u>
	<u>10</u>	<u>10</u>

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted fund	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	299,526	-	299,526
Charitable activities			
Hire of Conference facilities	90,256	-	90,256
Project funding	29,651	-	29,651
Investment income	166,225	-	166,225
Other income	<u>26,891</u>	<u>-</u>	<u>26,891</u>
Total	612,549	-	612,549
EXPENDITURE ON			
Raising funds	17,438	-	17,438
Charitable activities			
Donations	2,000	-	2,000
General costs	243,017	-	243,017
Other	<u>318,719</u>	<u>-</u>	<u>318,719</u>
Total	<u>581,174</u>	<u>-</u>	<u>581,174</u>

THE ISLAMIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2020

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued					
		Unrestricted fund	Restricted fund	Total funds	
		£	£	£	
NET INCOME		31,375	-	31,375	
RECONCILIATION OF FUNDS					
Total funds brought forward					
As previously reported		3,981,861	45,000	4,026,861	
Prior year adjustment		<u>6,598</u>	<u>-</u>	<u>6,598</u>	
As restated		<u>3,988,459</u>	<u>45,000</u>	<u>4,033,459</u>	
TOTAL FUNDS CARRIED FORWARD		<u><u>4,019,834</u></u>	<u><u>45,000</u></u>	<u><u>4,064,834</u></u>	
12. TANGIBLE FIXED ASSETS					
	Freehold property	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£	£
COST					
At 1 January 2020	2,341,154	68,170	75	283	2,409,682
Additions	<u>-</u>	<u>919</u>	<u>174</u>	<u>-</u>	<u>1,093</u>
At 31 December 2020	<u>2,341,154</u>	<u>69,089</u>	<u>249</u>	<u>283</u>	<u>2,410,775</u>
DEPRECIATION					
At 1 January 2020	92,710	12,850	33	283	105,876
Charge for year	<u>46,822</u>	<u>5,624</u>	<u>54</u>	<u>-</u>	<u>52,500</u>
At 31 December 2020	<u>139,532</u>	<u>18,474</u>	<u>87</u>	<u>283</u>	<u>158,376</u>
NET BOOK VALUE					
At 31 December 2020	<u>2,201,622</u>	<u>50,615</u>	<u>162</u>	<u>-</u>	<u>2,252,399</u>
At 31 December 2019	<u>2,248,444</u>	<u>55,320</u>	<u>42</u>	<u>-</u>	<u>2,303,806</u>
13. INVESTMENT PROPERTY					
					£
FAIR VALUE					
At 1 January 2020					1,597,701
Revaluation					<u>59,000</u>
At 31 December 2020					<u>1,656,701</u>
NET BOOK VALUE					
At 31 December 2020					<u>1,656,701</u>
At 31 December 2019					<u>1,597,701</u>

Investment properties were reviewed by the trustees at the year end taking into account their knowledge of local market conditions and the condition of the properties owned by the trust. In their opinion the value shown in the financial statements represents a materially fair value.

THE ISLAMIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2020

14. DEBTORS		
	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	49,548	16,955
Kube Publishing Limited	83,140	80,640
Markfield Institute of Higher Education	95,069	66,953
VAT	2,883	814
Prepayments	<u>11,966</u>	<u>14,113</u>
	<u>242,606</u>	<u>179,475</u>
Amounts falling due after more than one year:		
Markfield Institute of Higher Education	<u>61,797</u>	<u>84,549</u>
Aggregate amounts	<u>304,403</u>	<u>264,024</u>
15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2020	2019
	£	£
Bank loans and overdrafts (see note 17)	17,740	16,710
Trade creditors	15,929	20,382
Taxation and social security	2,733	4,209
Other creditors	<u>182,948</u>	<u>182,110</u>
	<u>219,350</u>	<u>223,411</u>
16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2020	2019
	£	£
Bank loans (see note 17)	<u>89,881</u>	<u>107,883</u>
17. LOANS		
An analysis of the maturity of loans is given below:		
	2020	2019
	£	£
Amounts falling due within one year on demand:		
Bank loan	<u>17,740</u>	<u>16,710</u>
Amounts falling between one and two years:		
Bank loan	<u>18,627</u>	<u>17,542</u>
Amounts falling due between two and five years:		
Bank loan	<u>48,137</u>	<u>58,045</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loan	<u>23,117</u>	<u>32,296</u>

THE ISLAMIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2020

18. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	<u>107,621</u>	<u>124,593</u>

Bank loans are secured on the asset to which they relate.

19. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	4,019,834	(23,012)	3,996,822
Restricted funds			
Scholarship	45,000	-	45,000
TOTAL FUNDS	<u>4,064,834</u>	<u>(23,012)</u>	<u>4,041,822</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	395,329	(477,341)	59,000	(23,012)
TOTAL FUNDS	<u>395,329</u>	<u>(477,341)</u>	<u>59,000</u>	<u>(23,012)</u>

Comparatives for movement in funds

	At 1.1.19 £	Prior year adjustment £	Net movement in funds £	At 31.12.19 £
Unrestricted funds				
General fund	3,981,861	6,598	31,375	4,019,834
Restricted funds				
Scholarship	45,000	-	-	45,000
TOTAL FUNDS	<u>4,026,861</u>	<u>6,598</u>	<u>31,375</u>	<u>4,064,834</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	612,549	(581,174)	31,375
TOTAL FUNDS	<u>612,549</u>	<u>(581,174)</u>	<u>31,375</u>

THE ISLAMIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2020

20. RELATED PARTY DISCLOSURES

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

IF made donations to MIHE of £nil (2019 - £nil) . During the year IF also received income amounting to £28,556 (2019 - £27,541) from MIHE with respect to rent and office expenses and was charged £nil (2019 - £9,478) by MIHE for staff and other office expenses.

At the balance sheet date the amount due from MIHE was £113,196 (2019 - £99,090).

During the year IF received £200 in donations from a trust with Trustees in common (2019- £8,000).

At the balance sheet date IF was owed £2,500 by a company with personnel in common (2019- £80,640).

During the year IF received donations of £nil from a charity with trustees in common (2019- £100,000).

At the balance sheet date IF owed a trust £115,000, this being set against an interest in a property owned by IF. This trust has a trustee in common with IF (2019- £115,000).

At the year end two trustees have an interest in a property owned by IF, this property was last valued at £800,000.

THE ISLAMIC FOUNDATION
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 December 2020

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	63,568	299,526
Investment income		
Rents received	158,451	164,645
Deposit account interest	<u>1,258</u>	<u>1,580</u>
	159,709	166,225
Charitable activities		
Hire of conference facilities	18,913	90,256
Project funding	<u>2,853</u>	<u>29,651</u>
	21,766	119,907
Other income		
Service charges receivable	16,556	15,541
Other income	11,848	11,350
COVID- government grants	<u>121,882</u>	<u>-</u>
	<u>150,286</u>	<u>26,891</u>
Total incoming resources	395,329	612,549
EXPENDITURE		
Other trading activities		
Property management expenses	5,458	17,438
Charitable activities		
Wages	192,524	223,253
Social security	14,069	16,489
Pensions	3,745	3,275
Donations paid	<u>-</u>	<u>2,000</u>
	210,338	245,017
Other		
Hire of equipment	2,221	3,214
Advertising and promotion	560	24,894
Rates and water	29,317	24,849
Insurance	18,605	18,423
Light and heat	48,360	60,486
Motor and travel expenses	594	1,695
Printing, postage and stationery	6,757	7,526
Telephone	2,748	4,707
IT and internet costs	2,203	5,247
Library costs	14,896	12,495
Repairs and maintenance	14,364	19,511
Cleaning	7,500	19,760
Bank charges	42	46
Legal and professional	26,676	15,916
Financial operations	18,452	16,840
Meals and accommodation	3,294	15,893
Staff training	-	323
Carried forward	<u>196,589</u>	<u>251,825</u>

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THE ISLAMIC FOUNDATION
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 December 2020

	2020	2019
	£	£
Other		
Brought forward	196,589	251,825
Freehold property dep'n	46,823	45,887
Fixtures & fittings dep'n	5,624	6,147
Motor vehicle dep'n	54	14
Bank interest	-	50
Bank loan interest	<u>5,705</u>	<u>6,996</u>
	254,795	310,919
Support costs		
Governance costs		
Auditors' remuneration	<u>6,750</u>	<u>7,800</u>
Total resources expended	<u>477,341</u>	<u>581,174</u>
Net (expenditure)/income	<u>(82,012)</u>	<u>31,375</u>

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