

**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>-</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>-</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>-</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	19				
Unrestricted funds				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	1	(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>
		<u> </u>	<u> </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	Totals
	£	note 8)	£
General costs	<u>210,338</u>	<u>6,750</u>	<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
	£
General costs	<u>6,750</u>

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	196,589	251,825

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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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