

**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

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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	4				
Hire of Conference facilities		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	7				
Donations		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)		10,984	3,036	14,020	(36,698)
Transfers between funds	20	1,571	(1,571)	-	-
Net movement in funds		12,555	1,465	14,020	(36,698)
RECONCILIATION OF FUNDS					
Total funds brought forward		3,958,918	46,206	4,005,124	4,041,822
TOTAL FUNDS CARRIED FORWARD		<u>3,971,473</u>	<u>47,671</u>	<u>4,019,144</u>	<u>4,005,124</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			
		<u>4,053,311</u>	<u>4,049,291</u>
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	1	(2,251)	145,707
Interest paid		(760)	(4,163)
Net cash (used in)/provided by operating activities		(3,011)	141,544
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		(3,203)	449
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		(5,833)	(57,620)
Change in cash and cash equivalents in the reporting period		(12,047)	84,373
Cash and cash equivalents at the beginning of the reporting period		221,923	137,550
Cash and cash equivalents at the end of the reporting period		209,876	221,923

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:	48,247	49,189
Depreciation charges	(1,408)	(994)
Interest received	760	4,163
Interest paid	(32,369)	102,623
(Increase)/decrease in debtors	(31,501)	27,424
(Decrease)/increase in creditors	<u>(2,251)</u>	<u>145,707</u>
Net cash (used in)/provided by operations	<u><u>(2,251)</u></u>	<u><u>145,707</u></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><u>171,923</u></u>	<u><u>(6,214)</u></u>	<u><u>165,709</u></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	170,088	109,205

3. INVESTMENT INCOME

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

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	-
		129,349	45,353

5. OTHER INCOME

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

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	<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

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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
Total resources expended	<u>514,344</u>	<u>494,012</u>
Net income/(expenditure)	<u><u>14,020</u></u>	<u><u>(36,698)</u></u>

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