

REGISTERED COMPANY NUMBER: 04871449 (England and Wales)

REGISTERED CHARITY NUMBER: 1102801

REGISTERED CHARITY NUMBER : SC045860(Scotland)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018
FOR**

MINHAJ-UL-QURAN INTERNATIONAL

Hadleys & Co.
Ground Floor
Import Building
2 Clove Crescent
London
E14 2BE

MINHAJ-UL-QURAN INTERNATIONAL
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FOR THE YEAR ENDED 31 AUGUST 2018

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MINHAJ-UL-QURAN INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2018

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2018. 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 2015).

OBJECTIVES AND ACTIVITIES

Charity's status and objectives

The organisation is a registered charity and was established by a trust deed made on 8th August 2003. The charity is governed under the Trust Deed and is controlled by the trustees.

The objectives of the charity as outlined in the Memorandum of Association include the following:

1. The relief of poverty, sickness, distress and suffering of any persons who are in need irrespective of their nationality, race, ethnic origin and religious beliefs
2. The advancement of other charitable purposes for the public benefit, to provide recreational facilities and activities in the interests of social welfare with the object of improving conditions of life for people in need.
3. The advancement of faith and religious practises of Islam
4. The advancement of religious and general education for the benefit of the public

Principal activities and Review

The principal activity of the charity during the period was the advancement and teaching of the Muslim religion in the United Kingdom with particular emphasis on promoting facilities for the young and the elderly.

Public benefit

As a charity, Minhaj-ul-Quran International shall be able to demonstrate that its objectives and activities are for the public benefit as required by the Charities Act 2011. The trustees have reviewed the guidance issued by the Charity Commission on public benefit and have ensured that the objectives and activities comply with this statutory requirement. The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission in datelining the activities undertaken by the charity.

This report explains our main activities and achievements in carrying out our aims.

Social investments

Qur'an classes for the young continued throughout the year. Additional recitals were held as part of the 'Irfan-ul-Quran' programme.

Interfaith Dialogues

Continued emphasis was laid on Interfaith Dialogues within the local community. True & peaceful picture of Islam was presented to the community via these dialogues. Other communities were also invited to the mosque to get more knowledge about Islam, this has helped a lot to bridge the gap within the faiths of the local community.

Education project

Online E learning:

The charity has continued providing Online Islamic & language Classes. The Online Teaching facility is established at the head office in Pakistan from where qualified learned teachers provide one to one teaching to the students from all over the world. This project has helped Minhaj-ul-Quran International to educate the community from different parts of the world, from all backgrounds and of any age. We aim to expand and put more resources into this project for more people to benefit. <http://www.equranclass.com>

MINHAJ-UL-QURAN INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES

Muslim Festivals

Eid Festival:

The usual two Eid festivals were celebrated during the year and lectures were held to inform and educate the young. Various other educational and social events were also organised together with the celebration of the birthday of the Prophet Muhammad (peace be upon him).

Rabi Ul Awal:

MQI celebrates the holy month of Rabi ul Awal with its best spirit and joy. From the 1st day to the 11th day special evening programs were organised for the community to participate and get the knowledge about the life of the Holy Prophet Muhammad (May Peace be Upon Him). On the 12th a large conference is organised for the Muslim community which are welcome from all over the country to celebrate the Birthday of the Holy Prophet Muhammad (May Peace be Upon Him).

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The charity continued its charitable activities throughout the year special concentration was on education to the local youngsters.

Internal and external factors

No extraordinary factors exist either internally or externally during the period.

FINANCIAL REVIEW

Principal funding sources

General donations.

Reserves policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which equate to approximately three to five months unrestricted expenditure. This provides sufficient funds to cover management and administrative and other related costs. Unrestricted funds were maintained at approximately this level throughout the period.

Financial Review

A summary of the results of the charity is given on pages 7 to 14 of the accounts. The trustees consider the progress during the year and the state of affairs to be satisfactory.

FUTURE PLANS

The charity will continue its operations as usual in the future. All efforts will be made to consolidate the infrastructure of the charity through its branches in UK. This year, the London branch has had extensive renovations in order to create a funeral services area to be used by the community. The renovations were funded through various appeals during the year.

One of the largest project of Minhaj-ul-Quran International "Madinat al-Zahra" is still in the initial stages of development with the aim of developing "A Centre of Excellence" comprising of multi-purpose communal provisions, as an educational complex for generations to come. An iconic contemporary Mosque is part of this project which will meet the needs of the local community as well as be a centre to integrate with other religions and build an atmosphere of harmony and brotherhood within the community. Educational and community services will be specially highlighted and it will also have residential accommodation and a commercial zone for the local community to benefit. The project will be encompassing a place of sanctuary for all our communities catering for the educational, welfare, spiritual and human needs of our community. Special care has been taken in the design concept to galvanise within our vision of Britain's Muslim communities as progressive and creative members of society meeting the modern demands of the time. "Madinat Al Zahrah" a project of Minhaj ul Quran International where we also aim to be a dynamic hub linking together all parts of the community as per our aims and objectives which have been renowned, applauded and celebrated locally, nationally and internationally. The project development shall take between 7-9 years to complete with the first phase already on ground with services already being rendered to the public.

MINHAJ-UL-QURAN INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Organisational structure

Organisation is a limited company by guarantee.

Induction and training of new trustees

Appropriate training has been provided to the trustee appointed during the year.

Wider network

The charity currently has seven centres, London, Manchester, Nelson, Bradford, Walsall, Birmingham and Glasgow with wider organisational setups in other cities / towns also.

Related parties

The charity has a very close relationship with its sister charity Minhaj-ul-Quran Welfare Foundation (MWF), Registered Charity No. 1084057. Two of the charity's trustee is also a trustee of MWF although both charities are completely independent in their activities, management and financial matters.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04871449 (England and Wales)

Registered Charity number

1102801

SC045860 (Scotland)

Registered office

292-296 Romford Road

Forest Gate

London

E7 9HD

Trustees

D Hussain

M Ali

R Rehman

M Afzal

S Mursaleen

O Ghani

Company Director

Company Director

Company Director - resigned 20.7.18

Company Director - resigned 31.7.18

Company Director

Company Director

Company Secretary

D Hussain

Auditors

Hadleys & Co.

Ground Floor

Import Building

2 Clove Crescent

London

E14 2BE

MINHAJ-UL-QURAN INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2018

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Minhaj-ul-quran International for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Hadleys & Co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 23 May 2019 and signed on its behalf by:



D Hussain - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF MINHAJ-UL-QURAN INTERNATIONAL

Opinion

We have audited the financial statements of Minhaj-ul-quran International (the 'charitable company') for the year ended 31 August 2018 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 charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 20 to the financial statements, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 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
- the charitable company has not kept adequate accounting records; 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 MINHAJ-UL-QURAN INTERNATIONAL

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act and Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Hadleys & Co.

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Ground Floor

Import Building

2 Clove Crescent

London

E14 2BE

23 May 2019

MINHAJ-UL-QURAN INTERNATIONAL

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

		Unrestricted fund	Restricted fund	2018 Total funds	2017 Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	715,130	197,657	912,787	769,619
Other trading activities	3	471,830	-	471,830	403,000
Investment income	4	<u>195,854</u>	<u>-</u>	<u>195,854</u>	<u>191,396</u>
Total		1,382,814	197,657	1,580,471	1,364,015
EXPENDITURE ON					
Charitable activities	5				
Salaries		171,393	-	171,393	164,959
Social security costs		10,222	-	10,222	5,309
Rates & water		25,782	-	25,782	30,508
Insurance		8,550	-	8,550	10,153
Light & heat		67,264	-	67,264	52,597
Telephone & fax		5,189	-	5,189	5,206
Printing, postage & stationery		12,004	-	12,004	8,512
Advertising		25,085	-	25,085	8,930
Bookshop purchases		49,860	-	49,860	53,149
Travel & subsistence		21,010	-	21,010	24,193
Community events		141,213	-	141,213	138,743
Cleaning		9,864	-	9,864	8,224
Repairs & maintenance		43,108	-	43,108	73,578
E-Learning		267,247	-	267,247	332,575
Rent payment		5,209	-	5,209	11,538
Sundries		765	-	765	3,063
Education		153,158	-	153,158	344,521
Other		<u>46,187</u>	<u>-</u>	<u>46,187</u>	<u>119,374</u>
Total		1,063,110	-	1,063,110	1,395,132
NET INCOME/(EXPENDITURE)		319,704	197,657	517,361	(31,117)
Transfers between funds	18	<u>28,430</u>	<u>(28,430)</u>	<u>-</u>	<u>-</u>
Net movement in funds		348,134	169,227	517,361	(31,117)

The notes form part of these financial statements

MINHAJ-UL-QURAN INTERNATIONAL

**STATEMENT OF FINANCIAL ACTIVITIES - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

	Not es	Unrestricted fund £	Restricted fund £	Total 2018 funds £	Total 2017 funds £
RECONCILIATION OF FUNDS					
Total funds brought forward		3,313,593	182,416	3,496,009	3,527,126
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		<u>3,661,727</u>	<u>351,643</u>	<u>4,013,370</u>	<u>3,496,009</u>

The notes form part of these financial statements

MINHAJ-UL-QURAN INTERNATIONAL

**BALANCE SHEET
AT 31 AUGUST 2018**

		Unrestricted fund	Restricted fund	2018 Total funds	2017 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	10	3,076,246	-	3,076,246	4,099,392
Investment property	11	<u>877,019</u>	<u>-</u>	<u>877,019</u>	<u>-</u>
		3,953,265	-	3,953,265	4,099,392
CURRENT ASSETS					
Stocks	12	104,087	-	104,087	84,017
Debtors	13	12,247	-	12,247	11,814
Cash at bank and in hand		<u>834,869</u>	<u>351,643</u>	<u>1,186,512</u>	<u>582,935</u>
		951,203	351,643	1,302,846	678,766
CREDITORS					
Amounts falling due within one year	14	<u>(255,438)</u>	<u>-</u>	<u>(255,438)</u>	<u>(257,932)</u>
NET CURRENT ASSETS		<u>695,765</u>	<u>351,643</u>	<u>1,047,408</u>	<u>420,834</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,649,030	351,643	5,000,673	4,520,226
CREDITORS					
Amounts falling due after more than one year	15	<u>(987,303)</u>	<u>-</u>	<u>(987,303)</u>	<u>(1,024,217)</u>
NET ASSETS		<u>3,661,727</u>	<u>351,643</u>	<u>4,013,370</u>	<u>3,496,009</u>
FUNDS	18				
Unrestricted funds				3,661,727	3,313,593
Restricted funds				<u>351,643</u>	<u>182,416</u>
TOTAL FUNDS				<u>4,013,370</u>	<u>3,496,009</u>

The notes form part of these financial statements

MINHAJ-UL-QURAN INTERNATIONAL

**BALANCE SHEET - CONTINUED
AT 31 AUGUST 2018**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2018.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 144 of the Charities Act 2011.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 23 May 2019 and were signed on its behalf by:



D Hussain -Trustee

The notes form part of these financial statements

MINHAJ-UL-QURAN INTERNATIONAL

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	524,027	89,167
Interest paid		<u>(21,581)</u>	<u>(20,435)</u>
Net cash provided by (used in) operating activities		<u>502,446</u>	<u>68,732</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		(312,135)	(989,586)
Sale of tangible fixed assets		449,597	43,000
Interest received		<u>191</u>	<u>214</u>
Net cash provided by (used in) investing activities		<u>137,653</u>	<u>(946,372)</u>
 Cash flows from financing activities:			
New loans in year		-	504,045
Loan repayments in year		<u>(36,522)</u>	<u>(25,274)</u>
Net cash provided by (used in) financing activities		<u>(36,522)</u>	<u>478,771</u>
 Change in cash and cash equivalents in the reporting period		<u>603,577</u>	<u>(398,869)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>582,935</u>	<u>981,804</u>
 Cash and cash equivalents at the end of the reporting period		<u>1,186,512</u>	<u>582,935</u>

The notes form part of these financial statements

MINHAJ-UL-QURAN INTERNATIONAL

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	517,361	(31,117)
Adjustments for:		
Depreciation charges	73,908	86,693
Profit on disposal of fixed assets	(65,243)	-
Interest received	(191)	(214)
Interest paid	21,581	20,435
Increase in stocks	(20,070)	(9,552)
Increase in debtors	(433)	(3,769)
(Decrease)/increase in creditors	<u>(2,886)</u>	<u>26,691</u>
Net cash provided by (used in) operating activities	<u><u>524,027</u></u>	<u><u>89,167</u></u>

MINHAJ-UL-QURAN INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared under the historical cost convention and include the results of the charity's operations which are described in the trustees report and all of which are continuing.

The financial statements have been prepared in accordance with the Charities Act 2011 and requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities".

The charity has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cashflow statement on the grounds that it qualifies as a small charity.

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.

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.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Fund accounting

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

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

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

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

MINHAJ-UL-QURAN INTERNATIONAL

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

2. DONATIONS AND LEGACIES

	2018	2017
	£	£
Donations	878,712	731,865
Gift aid	<u>34,075</u>	<u>37,754</u>
	<u><u>912,787</u></u>	<u><u>769,619</u></u>

3. OTHER TRADING ACTIVITIES

	2018	2017
	£	£
Bookshop income	79,317	80,568
E-Learning and education	<u>392,513</u>	<u>322,432</u>
	<u><u>471,830</u></u>	<u><u>403,000</u></u>

4. INVESTMENT INCOME

	2018	2017
	£	£
Rents received	195,663	191,182
Gift aid interest	<u>191</u>	<u>214</u>
	<u><u>195,854</u></u>	<u><u>191,396</u></u>

MINHAJ-UL-QURAN INTERNATIONAL

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Totals
	£	£
Salaries	171,393	171,393
Social security costs	10,222	10,222
Rates & water	25,782	25,782
Insurance	8,550	8,550
Light & heat	67,264	67,264
Telephone & fax	5,189	5,189
Printing, postage & stationery	12,004	12,004
Advertising	25,085	25,085
Bookshop purchases	49,860	49,860
Travel & subsistence	21,010	21,010
Community events	141,213	141,213
Cleaning	9,864	9,864
Repairs & maintenance	43,108	43,108
E-Learning	267,247	267,247
Rent payment	5,209	5,209
Sundries	765	765
Education	153,158	153,158
	<u>1,016,923</u>	<u>1,016,923</u>

6. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Other resources expended	<u>8,665</u>	<u>15,941</u>	<u>24,606</u>

7. NET INCOME/(EXPENDITURE)

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

	2018	2017
	£	£
Auditors' remuneration	3,900	3,600
Auditors' remuneration for non audit work	1,900	1,900
Depreciation - owned assets	73,908	86,693
Surplus on disposal of fixed asset	<u>(65,243)</u>	<u>-</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2018 nor for the year ended 31 August 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2018 nor for the year ended 31 August 2017.

MINHAJ-UL-QURAN INTERNATIONAL

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS

	2018	2017
	£	£
Wages and salaries	327,215	308,981
Social security costs	8,728	10,133
Pension	<u>1,494</u>	<u>920</u>
		320,034
The average monthly number of employees for the year was as follows:	2018	2017
Administration	7	6
Teaching and fundraising	<u>23</u>	<u>22</u>
Total	30	28

£155,822 is related directly to education classes which is reflected within the relevant category of education.
No employees received emoluments in excess of £60,000 during the year.

10. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2017	4,506,805	147,419	116,388	4,770,612
Additions	308,038	4,097	-	312,135
Disposals	(399,217)	-	-	(399,217)
Reclassification	<u>(877,019)</u>	<u>-</u>	<u>-</u>	<u>(877,019)</u>
At 31 August 2018	<u>3,538,607</u>	<u>151,516</u>	<u>116,388</u>	<u>3,806,511</u>
DEPRECIATION				
At 1 September 2017	487,296	111,394	72,530	671,220
Charge for year	61,311	6,018	6,579	73,908
Eliminated on disposal	<u>(14,863)</u>	<u>-</u>	<u>-</u>	<u>(14,863)</u>
At 31 August 2018	<u>533,744</u>	<u>117,412</u>	<u>79,109</u>	<u>730,265</u>
NET BOOK VALUE				
At 31 August 2018	<u>3,004,863</u>	<u>34,104</u>	<u>37,279</u>	<u>3,076,246</u>
At 31 August 2017	<u>4,019,509</u>	<u>36,025</u>	<u>43,858</u>	<u>4,099,392</u>

MINHAJ-UL-QURAN INTERNATIONAL

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

11. INVESTMENT PROPERTY

	£
MARKET VALUE	
Reclassification	<u>877,019</u>
NET BOOK VALUE	
At 31 August 2018	<u>877,019</u>
At 31 August 2017	<u>-</u>

Properties have been reclassified from land and buildings to investment properties during the year.

12. STOCKS

	2018	2017
	£	£
Finished goods	<u>104,087</u>	<u>84,017</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Other debtors	5,200	5,200
Prepayments and accrued income	2,202	3,127
Prepayments	<u>4,845</u>	<u>3,487</u>
	<u>12,247</u>	<u>11,814</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 16)	25,131	24,739
Trade creditors	28,800	18,483
Social security and other taxes	2,197	2,106
Other creditors	168,692	182,692
Wages	24,403	24,271
Pensions	415	141
Accrued expenses	<u>5,800</u>	<u>5,500</u>
	<u>255,438</u>	<u>257,932</u>

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

	2018	2017
	£	£
Bank loans (see note 16)	<u>987,303</u>	<u>1,024,217</u>

MINHAJ-UL-QURAN INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

16. LOANS

An analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year on demand:		
Bank loans	<u>25,131</u>	<u>24,739</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	<u>987,303</u>	<u>1,024,217</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2018 £	2017 £
Bank loans	<u>1,012,434</u>	<u>1,048,956</u>

The Royal Bank of Scotland has a legal mortgage on company 's property situated at 122 Withington Road, Manchester M16 8FB. Barclays Bank Plc also has first legalcharge on the company's properties situated at 187 Manningham Lane, Bradford, BD8 7HP and 547 Longbridge Road, Barking, IG11 9DA. The banks also have a legal charge on the properties' related income, fixtures, goodwill, proceeds of insurance and other rights.

18. MOVEMENT IN FUNDS

	At 1.9.17 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
Unrestricted funds				
General fund	3,313,593	319,704	28,430	3,661,727
Restricted funds				
Restricted fund	182,416	197,657	(28,430)	351,643
TOTAL FUNDS	<u>3,496,009</u>	<u>517,361</u>	<u>-</u>	<u>4,013,370</u>

MINHAJ-UL-QURAN INTERNATIONAL

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

18. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,382,814	(1,063,110)	319,704
Restricted funds			
Restricted fund	197,657	-	197,657
TOTAL FUNDS	<u>1,580,471</u>	<u>(1,063,110)</u>	<u>517,361</u>

Comparatives for movement in funds

	At 1.9.16 £	Net movement in funds £	At 31.8.17 £
Unrestricted Funds			
General fund	3,278,376	35,217	3,313,593
Restricted Funds			
Restricted fund	248,750	(66,334)	182,416
TOTAL FUNDS	<u>3,527,126</u>	<u>(31,117)</u>	<u>3,496,009</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,364,015	(1,328,798)	35,217
Restricted funds			
Restricted fund	-	(66,334)	(66,334)
TOTAL FUNDS	<u>1,364,015</u>	<u>(1,395,132)</u>	<u>(31,117)</u>

MINHAJ-UL-QURAN INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

18. MOVEMENT IN FUNDS - continued

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

	At 1.9.16 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
Unrestricted funds				
General fund	3,278,376	354,921	28,430	3,661,727
Restricted funds				
Restricted fund	<u>248,750</u>	<u>131,323</u>	<u>(28,430)</u>	<u>351,643</u>
TOTAL FUNDS	<u>3,527,126</u>	<u>486,244</u>	<u>-</u>	<u>4,013,370</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,746,829	(2,391,908)	354,921
Restricted funds			
Restricted fund	<u>197,657</u>	<u>(66,334)</u>	<u>131,323</u>
TOTAL FUNDS	<u>2,944,486</u>	<u>(2,458,242)</u>	<u>486,244</u>

19. RELATED PARTY DISCLOSURES

The trustee, Mr D Hussain owns a property management company which manages one of the charities investment properties, During the year the charity paid the company £3,876 as management fees.

20. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.