

Charity number: 1073862
Company number: 3544402

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Trustees' report and financial statements

for the year ended 31 August 2013

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Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

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Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Legal and administrative information

Charity registration number	1073862
Company registration number	3544402
Registered office and Business address	Trust Office, Hartley Hall Alexandra Road South Manchester, M16 8NH Telephone: 0161 860 7575 Fax: 0161 860 7766 Email: admin@mietltd.co.uk

Trustees	Mr Farroukh Zaheer Moulana Habib Ur Rehman Mr Nasar Mahmood Mr Imad Al-Salam Mr Abdulkadir Kawooya Mr Salim Al-Astewani Mr Haytham Al-Khaffaf Dr Abdullah Al-Majed Dr Hamad Al Majid Dr Abdullah Al-Razeen Dr Abdul Mohsen Al-Saif Mr Sameer Salam Mr Tamim Estwani
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Head teachers	Mrs Adia Ali Mrs Mona Mohamed Mr Charles Mills
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Auditors	Riley Moss Audit LLP Chartered Accountants First Floor 184 Cheetham Hill Road Manchester M8 8LQ
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Bankers	Royal Bank of Scotland 467 Wimslow Road Withington Manchester M20 8AP
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Bank of Ireland
John Dalton Street
Manchester
M2 6BN

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 August 2013

The trustees present their report and the financial statements for the year ended 31 August 2013. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Charities Act 2011, Companies Act 2006 and the Statement of Recommended Practice: Accounting and reporting by Charities 2005 (SORP 2005). The trustees, who are also directors for the purposes of company law and who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

Manchester Islamic Educational Trust Ltd (MIET) was incorporated on 9 April 1998 as a company limited by guarantee, under company number 3544402 and has been granted charitable status under Charities Act 1960, in February 1999 under registration number 1073862.

MIET runs KD Grammar School for Boys, Manchester Islamic High School for Girls, Manchester Muslim Preparatory School, and the new facility, within the Hartley Hall building owned by this Trust. Hartley Hall of Residence has an accommodation facility for university students providing en-suite rooms. The income from this new development is helping the Trust improve its ability to achieve its aims and objectives. All the buildings housing these schools and the student accommodation are owned by the Trust. The Trust, which is a limited company, is governed by the policies made from time to time by the trustees together with the terms of its Memorandum and Articles of Association which set out the objects and powers of the company.

The trustees are also Directors of the Charity for the purposes of the Companies Act 2006. The power of appointing new trustees is vested in the trustees. The procedure to appoint or withdraw a trustee is adopted in accordance with the Trust Deed. The Board may appoint a trustee during the year to fill a casual vacancy to serve a probationary period of six months. Subject to a satisfactory outcome of the probationary period, a permanent trusteeship is offered subsequently. Trustees are also encouraged to attend relevant external briefings and training courses. The trustees meet regularly to manage the affairs of the schools and to discuss other affairs. The Board comprises members from a variety of backgrounds and there are sub-committees dealing with various aspects of the operation. All major decisions are ratified by the Board of Trustees. In addition, the trustees are also responsible for setting out the strategy of the trust and monitoring its progress towards the stated aims and objectives. No additional trustee was appointed and no trustee resigned during this year.

Staff is required to progress the aims and objectives and for the operational management and development of the schools under the Trust's control. Furthermore, students and staff are continuously encouraged to contribute to the local community and the wider community by the establishment and development of links at various levels. The day to day management of each school is delegated to the respective Head teachers supported by their Senior Management/Leadership Teams. In addition, there are sub-committees covering staffing, curriculum, finance and buildings which meet more regularly and are attended by the Head teachers. This team in turn delegates the responsibility to the teaching and non teaching staff to ensure smooth implementation.

Investment policy

The Board of trustees is authorised under the Memorandum and Articles of Association to make and hold investments using the general funds of the above Charity in any way the trustees wish. However, no such investments are presently held.

Risk management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

Objectives and activities

The objective of the Trust is the advancement in the United Kingdom of education in general, complimented by Islamic education. Secondly, it is the objective of the Trust to provide and maintain schools within the United Kingdom for providing facilities to enable young persons in the doctrines and practices of the Islamic faith and in the Arabic language. The Trust may in the future try and establish additional Islamic schools to meet demands, but this is subject to availability of adequate funds.

Intended impact and strategies

Within these Objects, the MIET started the Islamic High School for Girls and KD Grammar School for Boys in January 1991 and 1999 respectively. Manchester Muslim Preparatory School, which was being operated by a sister charity, was added to this Trust in September 2009.

The Schools implement the aims and objectives of the Trust by providing a first class independent education, through strong academic tuition, awareness of spiritual values and developing artistic and social skills in all students. This is intended to provide an environment where each pupil can begin to realise his or her own potential, thus helping to build self-confidence and self-esteem in preparation for a contented and fulfilling life contributing to the welfare of the wider community. This is achieved by offering education appropriate to the needs of boys and girls aged from 11 to 16.

Manchester Islamic Educational Trust Limited
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Report of the trustees (incorporating the directors' report)
for the year ended 31 August 2013

The Trustees aim to create a supportive and caring environment where each pupil is recognised and is educated as an individual. MIET seeks to produce academically and spiritually well educated young men and women, with highly developed interpersonal skills with a broad range of interests. Hence pupils can compete at any level with the brightest and the best. The schools do also award places by giving some financial assistance to those that are less fortunate. Due to the extraordinarily difficult period during this year and the year prior to this, the Trust extended additional financial help and assistance to the less fortunate who have found it difficult to pay the full fees. Hartley Hall of Residence has helped the Trust to do this public service. However this has put on hold the development of furtherance of higher education within our secondary schools.

It is hoped that with the improvement of economic climate and outlook in the country additional funds will become available to take this development further by offering Year 12 & 13 option to the community it serves. Capital cost and operational viability permitting, it hopes to go ahead with this option in the near future.

Charities Aim for Public Benefit

The Trust has, for the schools, a financial assistance policy whereby it offers help, on a case to case basis, some school places by providing financial assistance to those pupils who are financially less fortunate, and also to those who are bright but cannot fully afford the fees. This assistance is means tested.

A discount scheme is also operated on basis of kinship: new applicants, who are brothers/sisters of existing pupils, are given substantial discount on fee. Other such schemes are also operated by the Trust to benefit the pupils and their parents.

The charities primary raison d'être is the provision of education to children. Beyond the curriculum offered at the school, benefits to the pupils also flows from the following activities:

- Community work carried out by the students.
- Charitable fund raising.
- Offering its premises to other organisations to carry out educational and work of public benefit.
- Trips abroad to make them aware of other cultures, faiths, etc.

The trustees would also like to point out that there are no gender restrictions for those receiving these benefits from the Trust.

Achievements and performance

The trustees are pleased that the performance of the schools has been satisfactory throughout the year. However there is room for improvement in certain areas. The public examination results for GCSEs continued to reflect the high level of achievement expected from the students at both schools.

Teaching and learning continues to improve. Extra curricular activities continue to expand. Trips are regularly organised by the schools to museums, football matches, etc. Participation in various outdoor and health related activities were also organised by this school with competitive matches being played with local schools. The organisation of interfaith exchange programmes, raising of funds for various Appeals and Charities, such as Children in Need, Islamic relief, etc are regularly conducted with a view to impart the importance of such activities in raising awareness of the children and character building. Important, inspirational speakers are invited to speak to the school pupils with the hope that this will inspire them to become better human beings and Muslims and will in the future they themselves will act as role models for their younger school colleagues. Trips abroad have proved to be an important educational experience for the students and have now become a regular fixture. Whilst various activities are held throughout the year, this remains popular with the students, helping them to bond with each other and to increase their sense of common social responsibility. As in the past Umrah (pilgrimage) trips have continued to be organised to educate the learners in the importance of pilgrimage; trips to other countries have also been arranged with a view to help broaden the outlook of students and for them to understand other cultures and history of those countries. The students completed a successful Umrah, attaining a life changing experience of both spiritual and educational benefits.

Other activities related to the educational cultural experience of the students were undertaken and these included a "Culture Day" emphasising the rich diversity of the student mix and better understanding it brings to those who attend these schools. This is becoming a regular feature at our schools.

Other activities which add to their experience and awareness of where they live included "Citizenship Week", etc. Students at both schools undertook work experience projects. All accepted placements at various local locations and every single pupil expressed enjoyable and learning experiences. Positive and supportive reports from employers who participated in the placement programmes have been noted. The PTA is being reinforced so as to be more effective with one raising funds for additional resources and facilities in the school.

The schools have continued to build upon their reputation for educating its pupils to a high standard, whilst also providing them with a full and rounded education through a full programme of extra curricular activities.

The trustees are satisfied that the schools are achieving their stated objectives throughout the year in question.

Manchester Islamic Educational Trust Limited
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Report of the trustees (incorporating the directors' report)
for the year ended 31 August 2013

In line with maintaining the buildings and keeping the schools in good and presentable condition, and to fulfil the Health & Safety guidelines, regular repair and maintenance work is carried out. In the Schools; computers are constantly upgraded or replaced as and when necessary for the betterment of education. White boards and projectors are also being installed within the budgets agreed and allocated to the schools. All the classrooms now have interactive boards. All this is in line with the Trust strategy to slowly build up adequate reserves to fund an ambitious programme of renovating the schools.

Fund raising has remained difficult given the economic conditions prevalent in the country and abroad and the many demands being placed on the donors from all over the world. However attempts are continually being made to raise funds to implement smaller improvement and refurbishment work. Efforts are also made to raise funds to provide financial help to deserving children and their parents.

The Schools each have a separate dedicated Headteacher, and each of the Schools is fortunate to have staff that is hard working and is fully committed and, in turn, is led by a capable Headteacher and Senior Management Teams. There have been a few staff changes during the year at all the schools; this is in line with such changes taking place at all schools during the academic year. The Boys School and the Preparatory School also have a Deputy Headteacher to help the Headteachers. Hartley Hall of Residence has a dedicated "Residential Letting and Admin. Manager" to look after that side of the operations and to ensure a good service is being provided to the residents.

The Trustees would sincerely like to record their gratitude and thanks to their staff and for all the volunteers for their tremendous efforts in furthering the school's development and for their compassionate voluntary services rendered during the year. Secondly, we thank all voluntary supporters and donors whose commitment and dedication has led to the success of this charity.

Fund raising for other charities

The staff and pupils supported various local and national appeals at other events, supporting good causes and humanitarian appeals. Student participation was forthcoming and generous. They were able to raise funds for various charities. The events are appreciated by pupils as a reflection of their individual well-being, fortunate circumstances and responsibilities as future citizens. The Trustees would sincerely like to record their gratitude and thanks to their staff and for all the volunteers for their tremendous efforts in furthering the schools' development and for their compassionate voluntary services rendered during the year. Secondly, we thank all voluntary supporters and donors whose commitment and dedication led to success.

Financial review

The schools' principal funding source is from school fees, which amounted to £2,400,783 (2012: £2,438,842). The schools continue to hire out facilities during vacations and after-school hours, and rental have contributed £290,958 (2012:£302,731) to income. This facility is provided to the community and the public at discounted prices/rates so as to facilitate ease of availability with a view to benefit the community and public. Fees and salary increase had to be implemented given that salary increase can only be justified in most cases with an increase in school fees. Overhead percentage has remained fairly consistent throughout the period.

The Trust and the schools are continuing with the aggressive promotional plan to try and attract more parents/pupils to the schools. If the Trust and the schools are to fulfil the purpose for which they were established then its existence and availability must be known to as many in the community as possible.

Although the principal source of funding for running the schools is the fee charged from the students however a fund raising event was also organised by the Boys school in this year to augment the funds needed by the school.

Reserves policy

It is the policy of the charity to maintain unrestricted funds at a level sufficient to cover unforeseen and major expenditure and shortfalls in income. The trustees remain confident in their ability to raise the necessary funds, thereby adhering to the maintenance of a balanced budget.

Going concern

The trustees consider that the projected net income and the value of realisable assets will be more than adequate to cover the current liabilities of the charity. Hence the trustees conclude that the accounts comply with the requirements of the trust's governing body and it remains a going concern.

Plans for future periods

The key plans related to the charitable aspects of the schools are as follows:

- The need for effective use of space and resources within the schools;
- Improvement of the marketing plans for recruiting extra students at the boys' school;
- To maintain and improve the current high standards of academic achievement as measured by external examinations and independent value added criteria;
- To continue focusing on continued professional development for teachers;
- To find ways and means to provide funding so as to offer financial assistance to more applicants than being presently done;

Manchester Islamic Educational Trust Limited
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Report of the trustees (incorporating the directors' report)
for the year ended 31 August 2013

Statement as to disclosure of information to auditors

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.

Statement of trustees' responsibilities

The trustees (who are also directors of Manchester Islamic Educational Trust Limited for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and 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 these financial statements, the trustees are required to:

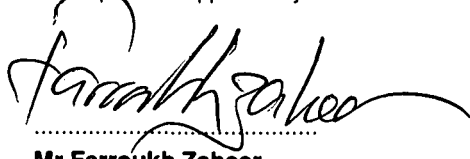
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

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 which 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.

Auditors

A resolution proposing that Riley Moss Audit LLP be reappointed as auditors of the charity will be put to the Annual General Meeting.

This report was approved by the trustees and signed on its behalf by



Mr Farroukh Zaheer
Director / Trustee

Date: 28/05/2014

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Independent auditor's report to the members of Manchester Islamic Educational Trust Limited

We have audited the financial statements of Manchester Islamic Educational Trust Limited for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 2 - 5, the trustees (who are also directors 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

Opinion on financial statements

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 2013 and of 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.

Opinion on other matter prescribed by the Companies Act 2006.

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Farook Patel
Senior Statutory Auditor
For and on behalf of Riley Moss Audit LLP
Statutory Auditor

Date: 29/05/2014

First Floor
184 Cheetham Hill Road
Manchester
M8 8LQ

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Statement of financial activities (incorporating the income and expenditure account)
For the year ended 31 August 2013

	Notes	Unrestricted funds £	2013 Total £	2012 Total £
Incoming resources				
Incoming resources from generating funds:				
Voluntary income	2	18,624	18,624	26,321
Activities for generating funds	3	1,981	1,981	8,574
Incoming resources from charitable activities	4	2,949,761	2,949,761	2,952,017
Total incoming resources		<u>2,970,366</u>	<u>2,970,366</u>	<u>2,986,912</u>
Resources expended				
Costs of generating funds:				
Fund raising event	5	6,567	6,567	8,031
Charitable activities	6	2,934,384	2,934,384	2,869,562
Governance costs	7	29,195	29,195	28,318
Total resources expended		<u>2,970,146</u>	<u>2,970,146</u>	<u>2,905,911</u>
Net incoming resources for the year /				
Net income for the year		220	220	81,001
Total funds brought forward		<u>4,010,333</u>	<u>4,010,333</u>	<u>3,929,332</u>
Total funds carried forward		<u>4,010,553</u>	<u>4,010,553</u>	<u>4,010,333</u>

All of the above amounts relate to continuing activities.

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Balance sheet
as at 31 August 2013

		2013		2012	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		3,881,695		3,974,986
Investments	14		1,000		1,000
			<u>3,882,695</u>		<u>3,975,986</u>
Current assets					
Debtors	15	282,322		266,954	
Cash at bank and in hand		340,685		293,424	
		<u>623,007</u>		<u>560,378</u>	
Creditors: amounts falling due within one year	16	(495,149)		(526,031)	
Net current assets			<u>127,858</u>		<u>34,347</u>
Net assets			<u>4,010,553</u>		<u>4,010,333</u>
Funds	17				
Unrestricted income funds			4,010,553		4,010,333
Total funds			<u>4,010,553</u>		<u>4,010,333</u>


The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the board and signed on its behalf by



Mr Farroukh Zaheer
Director / Trustee

Date: 28/05/2014



Mr Nasar Mahmood
Director / Trustee

Date: 28/5/2014

Company number: 3544402

The notes on pages 10 to 16 form an integral part of these financial statements.

Manchester Islamic Educational Trust Limited
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Cash flow statement

for the year ended 31 August 2013

	Notes	2013 £	2012 £
Net incoming resources for the year		220	81,000
Depreciation and impairment		136,428	136,089
Increase in debtors		(15,368)	(124,474)
Decrease in creditors		(19,048)	(53,743)
Net cash inflow from operating activities		102,232	38,872
Capital expenditure	20	(43,137)	(78,284)
Increase/(Decrease) in cash in the year		59,095	(39,412)
Reconciliation of net cash flow to movement in net funds	21		
Increase/(Decrease) in cash in the year		59,095	(39,412)
Cash increase in debts and lease financing		(4,396)	-
Movement in net funds in the year		54,699	(39,412)
Net funds at 1 September 2012		285,428	324,840
Net funds at 31 August 2013		340,127	285,428

Manchester Islamic Educational Trust Limited
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Notes to financial statements
for the year ended 31 August 2013

1. Accounting policies

1.1. Basis of accounting

The financial statements are prepared under the historical cost convention, except for the revaluation of certain fixed assets, and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

1.2. Fund accounting

Unrestricted funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
Restricted funds - these are funds that 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.

1.3. Incoming resources

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable. The value of services provided by volunteers has not been included. Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold. Donated assets are included at the value to the charity where this can be quantified and a third party is bearing the cost.

Income from investments is included in the year in which it is receivable.

Income from school fees represents fees earned in respect of the provision of education to pupils during the year. Fees for education to be provided in future years are carried forward as deferred income in the balance sheet.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

1.4. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fund raising purposes.

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

Fund raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

1.5. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over 50 years
Ground and building improvements	-	Straight line over ten years
Fixtures, fittings and equipment	-	15% reducing balance
Motor vehicle	-	25% reducing balance

1.6. Investments

Investments held as fixed assets are revalued at market value at the balance sheet date and the gain or loss taken to the statement of financial activities.

Manchester Islamic Educational Trust Limited
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Notes to financial statements
for the year ended 31 August 2013

2. Voluntary income

	Unrestricted funds £	2013 Total £	2012 Total £
Unrestricted donations	18,624	18,624	26,321
	<u>18,624</u>	<u>18,624</u>	<u>26,321</u>

3. Activities for generating funds

	Unrestricted funds £	2013 Total £	2012 Total £
Fundraising events - Donations	1,981	1,981	8,574
	<u>1,981</u>	<u>1,981</u>	<u>8,574</u>

4. Incoming resources from charitable activities

	Unrestricted funds £	2013 Total £	2012 Total £
School fees	2,400,783	2,400,783	2,438,842
Rent received and hire of facilities	290,958	290,958	302,731
Books, sundry fees and miscellaneous income	258,020	258,020	210,444
	<u>2,949,761</u>	<u>2,949,761</u>	<u>2,952,017</u>

5. Costs of generating funds

	Unrestricted funds £	2013 Total £	2012 Total £
Costs of fund raising event	6,567	6,567	8,031
	<u>6,567</u>	<u>6,567</u>	<u>8,031</u>

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Notes to financial statements
for the year ended 31 August 2013

6. Costs of charitable activities - by activity and fund type

	Notes	Unrestricted funds £	2013 Total £	2012 Total £
Activities undertaken directly				
Teaching staff costs		1,631,681	1,631,681	1,767,365
Book and resources		153,749	153,749	98,109
School trips		75,417	75,417	68,164
Support costs				
Support costs	8	1,073,537	1,073,537	935,924
		<u>2,934,384</u>	<u>2,934,384</u>	<u>2,869,562</u>

7. Governance costs

	Unrestricted funds £	2013 Total £	2012 Total £
Accountancy and bookkeeping fees	25,595	25,595	24,718
Audit fees	3,600	3,600	3,600
	<u>29,195</u>	<u>29,195</u>	<u>28,318</u>

Manchester Islamic Educational Trust Limited
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Notes to financial statements
for the year ended 31 August 2013

8. Analysis of support costs

The breakdown of support costs and how these were allocated between costs of charitable activities and governance costs is shown in the table below:

	Basis of allocation	Costs of charitable activities	2013 Total	2012 Total
		£	£	£
Staff costs - non teaching staff	Staff time	414,506	414,506	237,606
Rates including water rates	Usage	38,944	38,944	42,770
Light and heat	Usage	112,422	112,422	96,525
Repairs and maintenance	Usage	55,219	55,219	91,032
Insurance	Usage	38,861	38,861	35,050
Motor and travelling costs	Usage	10,433	10,433	7,272
Legal and professional costs	Usage	9,225	9,225	51,907
Depreciation	Usage	136,428	136,428	136,089
Advertising	Usage	51,110	51,110	33,641
Telephone	Usage	12,162	12,162	18,966
Catering expenditure	Usage	62,393	62,393	57,360
Cleaning	Usage	45,513	45,513	54,469
Subscriptions	Usage	31,489	31,489	12,307
Printing and postage	Usage	32,331	32,331	45,484
Bank charges	Usage	10,832	10,832	4,910
General expenses	Usage	747	747	3,263
Staff recruitment and training	Staff time	10,922	10,922	7,273
		<u>1,073,537</u>	<u>1,073,537</u>	<u>935,924</u>

9. Net incoming resources for the year

	2013	2012
	£	£
Net incoming resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	136,428	136,089
Auditors' remuneration (Note 10)	3,600	3,600
Auditors' remuneration from non-audit work (Note 10)	4,589	4,589

10. Auditors' remuneration

	2013	2012
	£	£
Auditors' remuneration - audit of the financial statements	<u>3,600</u>	<u>3,600</u>
Auditors' remuneration - other fees:		
- Accountancy	<u>4,589</u>	<u>4,589</u>

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11. Employees

Employment costs	2013	2012
	£	£
Wages and salaries	1,897,343	1,850,051
Social security costs	144,494	151,660
	<u>2,041,837</u>	<u>2,001,711</u>

No employee received emoluments of more than £60,000 (2012 : None).

Number of employees

The average monthly numbers of employees (including the trustees) during the year, was as follows:

	2013	2012
	Number	Number
Teaching staff	87	86
Support staff	50	55
	<u>137</u>	<u>141</u>

12. Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only.

13. Tangible fixed assets

	Land and buildings freehold	Ground and building improvements	Fixtures, fittings and equipment	Motor vehicle	Total
	£	£	£	£	£
Cost					
At 1 September 2012	3,853,393	177,909	532,207	9,271	4,572,780
Additions	-	-	43,137	-	43,137
At 31 August 2013	<u>3,853,393</u>	<u>177,909</u>	<u>575,344</u>	<u>9,271</u>	<u>4,615,917</u>
Depreciation					
At 1 September 2012	153,036	136,296	299,887	8,575	597,794
Charge for the year	77,068	17,791	41,395	174	136,428
At 31 August 2013	<u>230,104</u>	<u>154,087</u>	<u>341,282</u>	<u>8,749</u>	<u>734,222</u>
Net book values					
At 31 August 2013	<u>3,623,289</u>	<u>23,822</u>	<u>234,062</u>	<u>522</u>	<u>3,881,695</u>
At 31 August 2012	<u>3,700,357</u>	<u>41,613</u>	<u>232,320</u>	<u>696</u>	<u>3,974,986</u>

Manchester Islamic Educational Trust owns three freehold properties and these are situated as follows:

55 High Lane, Chorlton, Manchester,

Hartley Hall, Alexandra Road South, Manchester,

The Grange, 551 Wimslow Road, Withington, Manchester.

In the opinion of the Trustees, the cost of professionally valuing these assets to include a value in the accounts outweighs the benefits to the users of the accounts. They are insured for £27.2m which is an estimate of their replacement cost.

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14. Fixed asset investments	Other unlisted investments £	Total £
Valuation		
At 1 September 2012 and		
At 31 August 2013	1,000	1,000
The unlisted investments are held within the United Kingdom and in the directors'/trustees' opinion they reflect the market value.		
15. Debtors	2013 £	2012 £
Fee debtors	200,772	159,506
Other debtors	35,172	40,390
Prepayments and accrued income	46,378	67,058
	282,322	266,954
16. Creditors: amounts falling due within one year	2013 £	2012 £
Bank overdraft	-	3,042
Loan	554	4,950
Trade creditors	51,440	73,708
Other taxes and social security	23,577	33,096
Other creditors	324,865	305,834
Accruals and deferred income	94,713	105,401
	495,149	526,031
17. Analysis of net assets between funds	Unrestricted funds £	Total funds £
Fund balances at 31 August 2013 as represented by:		
Tangible fixed assets	3,881,695	3,881,695
Investment assets	1,000	1,000
Current assets	623,007	623,007
Current liabilities	(495,149)	(495,149)
	4,010,553	4,010,553

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18. Unrestricted funds

	At 1 September 2012 £	Incoming resources £	Outgoing resources £	At 31 August 2013 £
General fund	4,010,333	2,970,366	(2,970,146)	4,010,553

Purposes of unrestricted funds

The unrestricted funds represents funds which the trustees are free to use in accordance with the charitable objectives.

19. Related party transactions

Trustees received no remuneration (2012:£nil) and were not reimbursed for any of their expenses in the year (2012:£1,006).

During the year Manchester Islamic Educational Trust Ltd paid £20,178 (2012:£20,129) towards accountancy services to Zaheer and Co, Chartered Certified Accountants, in which Farroukh Zaheer, who is a trustee of Manchester Islamic Educational Trust Ltd is a partner.

During the year Manchester Islamic Educational Trust Ltd advanced £nil (2012:£50,000) to British Muslim Heritage Centre, a connected charity by way of common trustees and received £5,000 (2012:£10,000) from British Muslim Heritage Centre. As at 31 August 2013, the amount owed by British Muslim Heritage Centre was £35,000 (2012:£40,000) and included within other debtors. The loan are interest free, unsecured and payable on demand.

20. Gross cash flows

	2013 £	2012 £
Capital expenditure		
Payments to acquire tangible assets	(43,137)	(78,284)

21. Analysis of changes in net funds

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	293,425	47,261	340,685
Overdrafts	(3,042)	3,042	-
	290,383	50,303	340,686
Debt due within one year	(4,950)	4,396	(554)
Net funds	285,428	54,699	340,127

22. Company limited by guarantee

Manchester Islamic Educational Trust Limited is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.