

COMPLIANCE

# Inquiry Report

## IQRA

Registered Charity Number 1095966



**This report is a statement of the results of an Inquiry into Iqra (registered charity number 1095966) ('the Charity'). Following the terrorist attacks in London on 7 July 2005, the Charity was publicly linked to two of the perpetrators who died in the attacks. Mohammed Siddique Khan and Shehzad Tanweer were former trustees of Iqra. A further two individuals who had acted as trustees of the Charity, Khalid Khaliq and Waheed Ali, were found guilty of terrorist related offences.**

**The direct involvement of two former trustees of the Charity in the 2005 terrorist attacks and the conviction of two other former trustees for terrorist related offences raised serious regulatory concerns about their role in the Charity, any involvement or use of the Charity in the attacks and the proper use of the Charity's property. The Charity Commission ("the Commission") opened a statutory Inquiry into Iqra to address these regulatory concerns.**

**Published on 22 February 2011.**

## **The Charity**

1. Iqra was registered as a charity on 14 February 2003 and was governed by a Constitution adopted on 18 June 2002 and amended on 19 January 2003. Its purposes are:  
*'the advancement of the Islamic faith, through lectures, study groups, literature or by such other charitable means as the trustees may from time to time determine.'*
2. In practice, the Charity operated the Iqra Learning Centre, a bookshop and centre for religious learning in Leeds which ceased to operate in 2005.
3. The Charity did not submit any annual reports and returns to the Commission. However, the Inquiry established that between February 2003 and July 2005 the Charity's income was over £94,000. As a result, the trustees were under a legal duty to submit annual accounts for the Charity to the Commission<sup>1</sup>.

---

<sup>1</sup> Under the Charities Act 1993 charity trustees are required to prepare an annual statement of accounts irrespective of their income. For charities with an annual income over £10,000, those accounts must be submitted to the Commission within ten months of the end of the charity's financial year. As of April 2009, that threshold was raised to £25,000.

4. In addition to the four individuals named above, a number of other individuals were trustees of the Charity for a period. Based on information provided to the Commission by the Charity, those responsible for the management and administration of the Charity can be divided into two groups – (i) individuals who signed the Charity’s 2003 Constitution and became the first members of the Charity’s Executive Committee (‘the 2003 trustees’)<sup>2</sup>, and (ii) individuals who notified the Commission in 2004 through a Trustee Update Form that they were trustees (‘the 2004 trustees’)<sup>3</sup>. Where the report refers to ‘the trustees’ of the Charity it means both the 2003 trustees and 2004 trustees.

## Source of Concern

5. In 2005, following the terrorist attacks in London on 7 July (‘the 07/07 terrorist attacks’), it was identified that two of the suicide bombers had been trustees of the Charity and original signatories of the Charity’s 2003 Constitution. These were Mohammad Siddique Khan and Shehzad Tanweer.
6. In May 2007 Khalid Kaliq, who had previously confirmed to the Commission that he was a trustee of the Charity in 2004<sup>4</sup>, was arrested. Khalid Khaliq was convicted in March 2008 of possessing a document containing information likely to be useful to a person committing or preparing an act of terrorism.
7. Also in 2007, two other individuals previously recorded as trustees of the Charity, Sadeer Saleem and Waheed Ali (also known as Shipon Ullah), were arrested on suspicion of the preparation of acts of terrorism, in connection with the 07/07 terrorist attacks.
8. In April 2009 both Sadeer Saleem and Waheed Ali were acquitted of assisting in the preparation of acts of terrorism. Waheed Ali however was convicted of conspiracy to attend a place used for terrorist training, contrary to section 1(1) of the Criminal Law Act 1977.
9. The involvement of two former trustees of the Charity in the 07/07 terrorist attacks raised serious regulatory concerns about their role in the Charity, the connections, involvement, or use of the Charity in the attacks, and the proper use and safeguarding of the Charity’s funds moving forward. In addition to this, the conviction of two former trustees of the Charity of terrorist related offences added to these concerns.
10. Various articles in the national media made connections between the Charity and the 07/07 terrorist attacks including an article entitled ‘the backstreet bookshop that taught frontline war’<sup>5</sup>, which alleged that extremist material was held on the Charity’s premises. The existence of these, and similar public allegations, added to the Commission’s regulatory concerns regarding the management and operation of the Charity by the trustees and ensuring the proper use of the Charity’s funds.

---

2 The 2003 trustees were, as reported to the Commission: (i) Mohammed Siddique Khan (ii) Shehzad Tanweer (iii) Waheed Ali (aka Shipon Ullah) (iv) Arbab Ahmed (v) S.B Alam (vi) Sophina Ali (vii) Tafazal Mohammed (viii) Naveed Khan (ix) Sadeer Saleem (x) Khalid Khaliq.

3 The 2004 trustees were, as reported to the Commission: (i) Tafazal Mohammed (ii) Naveed Khan (iii) Sadeer Saleem (iv) Khalid Khaliq (v) Abdul Majid (vi) Afia Khatun (vii) Gulshana Begum and (viii) Qamar Hussain.

4 This information was submitted by the Charity to the Commission in December 2004 in the ‘Trustee Update Form’.

5 A copy of the article can be found here <http://www.timesonline.co.uk/tol/news/uk/crime/article6188502.ece>

### **The Commission's role in cases where there are allegations of terrorist abuse:**

11. The Commission is a civil regulator, whose statutory functions includes identifying and investigating abuse in charities. Its role in these cases is to ensure that trustees comply with their legal obligations and duties to their charity so that the public trust and confidence in the charitable sector is protected. This includes ensuring that the trustees are using the charity's resources to further the charity's purposes for the public benefit and not for improper or illegal purposes.
12. The investigation of alleged criminal offences is the responsibility of the relevant law enforcement agency. The Commission considers whether matters and evidence arising in those separate investigations may indicate misconduct or mismanagement in the administration of the charity and/or raise issues about the suitability of trustees which are regulatory issues for the Commission. Where the Commission does have a regulatory interest, it also assesses whether it needs to act, using its own powers and jurisdiction, to ensure that trustees meet their legal obligations and duties and to protect charity property.

## **Commission Inquiry**

13. From 2005 to 2009, during the police investigation and subsequent trials (which took precedence) the Commission had been monitoring the Charity to determine what, if any, activities it was carrying out. The Charity was found not to be operating during this period. The end of the trial of Sadeer Saleem and Waheed Ali in April 2009 concluded the criminal proceedings in respect of former trustees and persons connected to the Charity.
14. The criminal investigation and subsequent trials examined the criminality of specific acts by individuals. Whilst the Charity, and a number of individuals connected to it (as outlined above), did feature in the criminal investigation, consideration of information including the transcripts of the criminal trials indicated that the role of the Charity was not the primary focus of the criminal investigation.
15. As a result of the concerns outlined in paragraphs 5-10 above, the Commission opened a statutory Inquiry under s.8 of the Charities Act 1993 ('the Act') on 29 April 2009. The Commission's regulatory interest was in the past and present management and administration of the Charity and whether the trustees had acted in accordance their legal duties and responsibilities to the Charity.
16. Following the July 2005 attacks the Commission, the police and law enforcement agencies in the investigation co-operated together and exchanged information about the Charity.

### **Issues**

17. The issues examined by the Inquiry were:
  - a. **Issue 1: Whether the Charity may have been used to facilitate terrorist, extremist or other inappropriate activities.**
  - b. **Issue 2: Securing the proper application of the property owned and money held by the Charity.**

## Timescale of Inquiry

18. The Inquiry was opened on 29 April 2009, and its substantive investigations concluded on 19 October 2010. The Inquiry closed on 22 February 2011 with the publication of this report.

## Findings

### Charities and Terrorism: Legal Context

19. Charity trustees must prevent any misuse of charity funds or assets. Exploitation by terrorists and criminals of a charity is serious abuse of charity, whether this concerns abuse of assets (eg charity funds), or misuse and exploitation of its name. If trustees know about this, or ought to if they had been vigilant, but do not take any action, they would be failing in their duties as trustees and would not be acting with integrity.
20. Charity trustees must ensure they and their charity comply with UK laws including counter-terrorism laws. Deciding to carry out or knowingly support any activities that would be criminal, illegal or otherwise improper for a charity would amount to misconduct on the part of the trustees. If a breach of counter-terrorism laws were to occur as a result of the activities and operation of the charity, then aside from any possible criminal investigation this may amount to misconduct in the administration of the charity by the trustees. The Commission would have concerns about whether the trustees had properly discharged their legal duties and responsibilities in accordance with charity law and would also be concerned about ensuring the charity is properly safeguarded.
21. Trustees must use reasonable care and skill when carrying out their duties. This applies to the conduct of individual trustees. Individual involvement or association with strongly controversial or partisan views, or criminal activity may compromise a charity's integrity, purposes or activities and may make it unsuitable for an individual to act as a trustee of that charity. This could be the case whether the involvement or association is as a result of their role as charity trustee and whether or not the events directly involved the charity, their links to the charity means this is corrosive to public trust and confidence in charity.

### **Issue 1: Whether the Charity may have been used to facilitate terrorist, extremist or other inappropriate activities**

22. In investigating this issue the Inquiry considered whether there was evidence:
  - a) to suggest that the Charity's funds were used to facilitate the 07/07 terrorist attacks;
  - b) of extremist or inappropriate material at the Charity's premises; and
  - c) to suggest that the Charity's premises were used as a meeting place for the perpetrators of the 07/07 terrorist attacks.

The Inquiry's findings are outlined below.

### **Was there evidence to suggest that the Charity's funds were used to facilitate the 07/07 terrorist attacks?**

23. The Inquiry established that immediately after the 07/07 terrorist attacks and the Police search of the Charity's premises, that the Charity's bookshop closed and the 2004 trustees of the Charity ceased to have involvement<sup>6</sup>. As a result the Charity ceased to operate. The majority of the 2004 trustees, through their legal advisors, informed the Inquiry that following the search of the Charity's premises by the Police - which included the seizure of materials such as documents and computers which were required for the regular working of the organisation - they considered that the Charity had been left "in an inoperable and damaged state".
24. From a review of bank statements for various accounts in the name of the Charity, the Inquiry found that the Charity's income since registration until July 2005 was in excess of £94,000. The Charity did not file accounts with the Commission as required by charity law.
25. In 2005, prior to the opening of the Inquiry and in liaison with the Police, the Commission sought to establish whether the Charity's funds were used to fund the 07/07 terrorist attacks. An analysis of the evidence available, which included financial records relating to the Charity obtained by the Commission, did not reveal evidence to indicate the Charity's funds had been used to finance the 07/07 terrorist attacks.
26. The Commission's analysis was supported by a published report presented to Parliament which considered that the costs of the 07/07 terrorist attacks were funded by Mohammed Siddique Khan personally<sup>7</sup>. On page 23 the report states:

"...current indicators are that the group was self-financed. There is no evidence of external sources of income....The group appears to have raised the necessary cash by methods that would be extremely difficult to identify as related to terrorism or other serious criminality. Khan appears to have provided most of the funding. Having been in full-time employment for 3 years since university, he had a reasonable credit rating, multiple bank accounts, credit cards and a £10,000 personal loan".
27. There was no evidence that the Charity's funds were used to fund the 07/07 terrorist attacks.

### **Was there evidence of extremist or other inappropriate material at the Charity's premises?**

28. The Inquiry reviewed all the material removed by the Police from the Charity's premises as part of the criminal investigation into the 07/07 terrorist attacks. The material removed did not include most of the books, pamphlets and videos from the bookshop area of the Charity's premises as this was outside of the scope of the criminal investigation and was not removed. The Inquiry has not been able to ascertain what happened to the material from the bookshop which was not removed by the Police following the Charity ceasing to operate in 2005. The Charity's premises, which were leased, are now being used by an unconnected organisation. No criminal charges were brought in respect of any of the material removed by the Police from the Charity's premises.
29. The Inquiry also reviewed photographs of the Charity's premises taken by the Police, as part of its investigation, prior to the search of the premises in 2005 and assessments, conducted by the Police, of material held on the Charity's computers.

<sup>6</sup> The Commission's records show that the last recorded trustees of the Charity, which were based on the last Trustee Update Form received in December 2004, were: (a) Mrs Qamar Hussain (b) Mr Tafazal Mohammed (c) Mr Gulshana Begum (d) Mrs Afia Khatun (e) Mr Abdul Majid (f) Mr Naveed Khan and (g) Mr Sadeer Saleem.

<sup>7</sup> 'Report of the Official Account of the Bombings in London on 7th July 2005' (HC 1087) 11.05.2006

30. From the review of the material available it was the Inquiry's finding that there was evidence that the Charity had been operating an Islamic book shop. In addition to this, the Inquiry found evidence of the Charity operating a lending library of Islamic books and videos.

#### Review of Video Tapes

31. Amongst the material removed from the Charity's premises by the Police were over twenty video tapes which formed part of the lending library operated by the Charity. The majority of these tapes were either commercially produced or recorded from television. A small number were recordings of lectures and seminars about the Islamic faith by various speakers. The Inquiry reviewed these and found that the majority were appropriate for a charity with the object of advancing the Islamic faith. For example, some of the tapes reviewed contained debates and lectures by Islamic scholars on comparative religions and understanding Islam.
32. Whilst the Inquiry found that the majority of the video tapes reviewed were appropriate for a charity with a charitable object to advance the Islamic faith, a small number of these tapes were not appropriate. For example, one of the tapes reviewed was titled 'What I've learnt about American Foreign Policy' and focused on covert operations by the American Central Intelligence Agency ('CIA') and included excerpts from speeches by a former CIA agent. The subject of the video was about CIA covert missions generally and was not linked to Islam or Islamic countries and was considered to be politically biased. This video and a small number of others were considered by the Inquiry as not capable of advancing the Charity's object to advance the Islamic faith and were inappropriate for the Charity.

#### Review of written material

33. The Inquiry also considered written material removed from the bookshop area of the Charity's premises by the Police. The Inquiry found the majority of this material to be appropriate for a charity with the object to advance the Islamic faith. However, material removed from the Charity's premises included a leaflet providing biased political comment on the treatment of individuals subject to arrest, interrogation and torture by law enforcement agencies. The 2004 trustees informed the Inquiry that as a Charity, "it often received donations of material. Whilst every effort was made to screen that which was appropriate and that which was not, some material may have passed unnoticed". Irrespective of this, the Inquiry could not conclude that this material furthered the purposes of the Charity and questioned whether the 2004 trustees acted appropriately in allowing material onto the Charity's premises for unsupervised use by the public which was not properly screened.

#### Review of material held on the Charity's computers

34. From a review of the assessments, conducted by the Police, of material held on the Charity's computers, the Inquiry questioned how some of this material would further the Charity's purpose. For example, one of the computers held a video audio file which sought to make comparisons between the 11-13th Century Crusades and US and UK military intervention in Iraq. The 2004 trustees advised the Inquiry that the Charity provided an internet service and that "any material that might be deemed inappropriate is likely to have been downloaded by a member of the public using these facilities. It would have been almost impossible to properly police such internet usage". No criminal offences were made in respect of material held on the Charity's computers, the majority of which is accessible from the internet. In reviewing material removed from the Charity's premises by the Police, the Inquiry saw no evidence of an internet usage policy or log of those using the Charity's computers. It is therefore not possible to determine who, of those present at the Charity's premises, may have downloaded this material.

35. Amongst the material seized from the Charity's premises there were documents relating to other organisations (bank statements, application forms) and consent forms for outdoor activities – there were also numerous photographs of various outdoor events and excursions. These outdoor events do not appear to be an activity organised by the Charity – although material relating to the organisation and running of these, including consent forms for those participating and various photographs of the events themselves were found on the Charity's premises. This suggests that the Charity's premises and property was used for other activities which did not further the Charity's purpose.
36. The use of the Charity's premises and property for activities which did not further its charitable purpose is inappropriate. Trustees have a legal duty to ensure that their charity's property is used only in furtherance of its purposes. The use of the Charity's premises to organise these outdoor activities events and to allow individuals to use the Charity's property (computers) for non-charitable activities suggests that the trustees were not sufficiently vigilant to what was taking place at the Charity and therefore failed to discharge their legal duties and responsibilities. In response to a series of questions put to the 2004 trustees by the Inquiry, one of the respondents stated that *"As I had very little, if any, involvement with Iqra, I had forgotten that I had agreed to be a trustee until I received the letter from the Charity Commission"* – this supports the Inquiry's finding that the trustees were not sufficiently vigilant to the activities that were taking place at the Charity's premises.
37. In addition to the material removed from the Charity's premises, the Inquiry reviewed evidence given by Waheed Ali and Sadeer Saleem during their criminal trials as recorded in the court transcripts of R v Mohammed Shakril, Waheed Ali and Sadeer Saleem. During his evidence in the trial, Wahid Ali referred to a leaflet produced by the Charity supporting a conspiracy theory regarding the terrorist attacks in the United States of America on 11 September 2001 and who perpetrated them. The Inquiry was not able to obtain a copy of this leaflet. The production and promotion of any such leaflet could not further the Charity's purposes for the public benefit.
38. The Inquiry was aware that other government departments and agencies that were involved in the investigations into the 07/07 terrorist attacks, had made comments about possible connections between the Charity and extremist activity. The report by the Intelligence and Security Committee *'Could 7/7 have been prevented? Review of the Intelligence on the London Terrorist Attacks on 7 July 2005'*<sup>8</sup> refers to the Charity's address as that of 'a bookshop selling extremist literature'.
39. Various reports in the media connected the Charity, and individuals associated with it, to extremist activity. Whether or not these media reports were accurate, the Inquiry considered that it was reasonable to conclude that members of the public might make a link between the Charity and the 07/07 terrorist attacks and that this left its reputation irreparably damaged. Legal advisors acting for the majority of the 2004 trustees stated that as a result of the Police investigation and subsequent criminal trials that the reputation of the Charity amongst its clients had "become tarnished and questionable to say the least".

---

8 Page 58 of the report refers to a telephone number called by a person of interest (Mohammed Qayum Khan) which was registered to a 'Siddique Khan' of 49a Bude Road, Leeds (the address of a bookshop selling extremist literature).

40. Overall, the Inquiry found from its review of the material removed from the Charity's premises that the majority of this was appropriate for a charity with the object of advancing the Islamic faith. However, despite this, approximately a fifth of the material reviewed was considered to be political, biased, propagandist or otherwise inappropriate for a charity advancing the Islamic faith.

**Was there evidence to suggest that the Charity's premises were used as a meeting place for the perpetrators of the 07/07 terrorist attacks?**

41. In investigating this issue the Inquiry sought to determine if there was evidence to suggest that the Charity's premises either provided the opportunity of a meeting place for the perpetrators of the 07/07 terrorist attacks or offered some form of 'veil of legitimacy'.
42. The Inquiry determined that it was not possible to fully understand what role, if any, the Charity, including its premises, played in facilitating terrorist, extremist or other inappropriate activities or were used as a meeting place for the perpetrators of the 07/07 terrorist attacks. This is mainly because the Inquiry has been unable to explore with the individuals that committed the 07/07 terrorist attacks or those who have subsequently been convicted of terrorist related offences, what effect the Charity, and individuals connected to it, had on their decision to undertake these acts – although this possibility cannot be excluded.
43. The Inquiry considered that documents relating to outdoor events and activities removed from the Charity's premises (see paragraphs 35-36) were particularly relevant to whether the Charity's premises were used as a meeting place for the perpetrators of the 07/07 terrorist attacks. This is because outdoor activities (including camping, canoeing and white-water rafting) were noted in the 'Report of the Official Account of the Bombings in London on 7th July 2005' as "...common factors for the 7 July bombers and other cells disrupted previously and since"<sup>9</sup>.
44. In considering whether the Charity's premises were used as a meeting place for the perpetrators of the 07/07 terrorist attacks the Inquiry determined that it is not possible to determine whether the Charity's premises were used as a meeting place, or mechanism for meeting, in the planning and preparation of the 07/07 terrorist attacks, or, that the Charity's premises inadvertently provided a platform of legitimacy for their terrorist sentiments. However, given that both Mohammed Siddique Khan and Shehzad Tanweer were trustees for a period at the same time and are reported to have frequented the Charity's premises both are a possibility<sup>10</sup>.
45. In forming this view the Inquiry took into account the fact that both individuals were original signatories of the Charity's 2003 constitution. In addition to this, it is also reported that in early 2003, which is also the same period when the Charity was established, both Mohammed Siddique Khan and Shehzad Tanweer "became increasingly close"<sup>11</sup>. When responding to the Inquiry, legal advisors acting for the majority of the 2004 trustees did not accept this possibility. Equally, this possibility of the Charity's premises being used as a venue in the planning of the 07/07 terrorist attacks was put to both Waheed Ali and Sadeer Saleem during their criminal trial. Both denied this allegation.

<sup>9</sup> Page 17 of the 'Report of the Official Account of the Bombings in London on the 7th July 2005'.

<sup>10</sup> Page 15 of the 'Report of the Official Account of the Bombings in London on the 7th July 2005' states that "A common factor for all 3 – Khan, Tanweer and Hussain (three of the four perpetrators of the 07/07 terrorist attacks) – was the social life around the mosques, youth clubs, gyms and Islamic bookstore in Beeston".

<sup>11</sup> 'Report of the Official Account of the Bombings in London on 7th July 2005' (HC 1087) 11.05.2006 p36

46. The 2004 trustees rejected the possibility of the Charity's premises being used as a meeting place in the preparation and planning of the 07/07 terrorist attacks. However, the Inquiry noted that the trustees did not, in 2005, respond publicly to refute the various allegations made connecting the perpetrators of the 07/07 terrorist attacks to the Charity and its premises or defend itself from the allegations being made about the Charity in the public domain.

47. In summary, the Inquiry found from its analysis that it is not possible to conclude whether the Charity's premises were used as a meeting place, or mechanism for meeting, for Mohammed Siddique Khan and Shehzad Tanweer, or, used to provide a platform of legitimacy for terrorist sentiments. It is clear that while the Charity carried out legitimate charitable activities, the possibility of the Charity's premises being used as a meeting place cannot be excluded.

## **Issue 2: Securing the proper application of the property owned and money held by the Charity**

48. The Inquiry established that having ceased to operate following the 07/07 terrorist attacks in 2005, the remaining assets of the Charity were approximately £12,500 held in four bank accounts in its name.

49. In 2009 the Inquiry was informed by the 2004 trustees that it was able to contact, that their view was that the Charity was inoperable following the 07/07 terrorist attacks and the subsequent criminal investigation – which included a search of the Charity's premises. The Inquiry was advised by the legal advisors representing the majority of these individuals that they no longer considered themselves as trustees of the Charity having ceased to have been involved from 2005.

50. The Inquiry accepted that the Charity became inoperable due to the criminal investigation and its reputation becoming irreparably damaged by reports in the media directly connecting the Charity to the 07/07 terrorist attacks. However, the Inquiry found that there had been mismanagement in the administration of the Charity as a result of the 2004 trustees ceasing their involvement with the Charity without first taking steps to properly wind-up it up and ensure that any remaining property was applied in furtherance of its purpose. In this respect it is difficult to see how the 2004 trustees discharged their legal duties to the Charity in failing to take sufficient steps to protect the Charity's reputation from the various allegations that had been made in the media given how serious they were.

51. During the course of the Inquiry it was established that the 2004 trustees contacted by the Inquiry were unwilling to take action to apply funds held in the name of the Charity despite stating that they had an interest in how these should be applied. Legal advisors acting for the majority of the 2004 trustees informed the Inquiry that the Charity's remaining funds should be applied to another charitable organisation that they had identified and previously committed to giving funding to. The Inquiry considered this request and found that the charity identified did not have compatible charitable objects to Iqra and therefore could not receive its remaining funds.

52. The Inquiry found that in the absence of the 2004 trustees taking, or being willing to take, appropriate action to secure the proper application of the Charity's funds that the Commission will exercise its regulatory powers to ensure the proper application of these funds.

## Conduct of Inquiry

53. Immediately after the Inquiry was opened in April 2009, the Inquiry contacted individuals listed on the Commission's Register of Charities as the trustees of the Charity (the 2004 trustees). The Inquiry corresponded with the 2004 trustees, where possible<sup>12</sup>, and remained in contact with the majority of the 2004 trustees – primarily through their legal advisors – throughout the course of the Inquiry. This included corresponding with them to establish whether they, having expressed an interest in how the Charity's remaining funds were to be applied, were willing to take action themselves to ensure its proper application.
54. The Inquiry issued an order under section 18(1)(iv) of the Act to restrict four bank accounts in the name of the Charity. This was a temporary and protective measure to secure these funds and ensure they were applied for the purposes of the Charity.
55. The Inquiry obtained information from a range of sources, including material removed from the Charity's premises by the Police, the 2004 trustees and their legal advisors, other individuals who had worked with the Charity, the Charity's bank, law enforcement and the Court Services. Where appropriate, this information was obtained by way of an order under section 9 of the Act, and on one occasion a direction under section 8 of the Act was issued to the 2004 trustees to obtain information from them relating to their involvement with the Charity.
56. On 27 July 2009 the majority of the 2004 trustees, through their legal advisors, requested a review of the decision to open the Inquiry. In accordance with the Commission's Decision Review process as outlined in Operational Guidance 94<sup>13</sup>, this review was conducted on 13 October 2009 by two of the Commission's Board members. It was the final decision of the Commission that the decision to institute an Inquiry under section 8 of the Act was lawful, proportionate and a reasonable decision properly taken<sup>14</sup>.
57. Having established that the majority of the 2004 trustees were not willing to take action to apply the Charity's remaining funds to further its purposes, the Inquiry considered the exercise of the Commission's regulatory powers to achieve this. The Commission will exercise its regulatory powers to ensure the proper application of the Charity's remaining funds once an appropriate charity willing to accept a transfer of these funds has been identified.

## Conclusions

58. The Charity carried out activities compatible with advancing its object to advance the Islamic faith.
59. There was no evidence that the Charity's funds were used to fund the 07/07 terrorist attacks.
60. The majority of material from the bookshop area of the Charity's premises that was removed by the Police and viewed by the Inquiry was capable of advancing the Islamic faith. However, of the material reviewed, approximately a fifth was considered to be political, biased, propagandist or otherwise inappropriate for a charity advancing the Islamic faith.

---

12 The Inquiry did not contact Mr Khaliq or Mr Ali, as they were both, at that time, in prison and therefore could not carry out their duties as trustees of the Charity.

13 For further information, see the Commission's website [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)

14 A summary of the final decision of the Commission can be found here [http://www.charitycommission.gov.uk/Our\\_regulatory\\_activity/Compliance\\_reports/fdcase.aspx#18](http://www.charitycommission.gov.uk/Our_regulatory_activity/Compliance_reports/fdcase.aspx#18)

61. The Commission cannot make a determination as to whether the Charity's premises provided an opportunity of a meeting place for the perpetrators of the 07/07 terrorist attacks or used to provide a platform of legitimacy for terrorist sentiments, although this possibility cannot be excluded.
62. There had been mismanagement in the administration of the Charity by the 2004 trustees arising from their failure to properly manage material available to the public at the Charity's premises and to secure the proper application of funds belonging to the Charity.

## Regulatory action taken

63. During the Inquiry, the following regulatory action was taken to gather information:
  - a. on 11 May 2009 the Inquiry issued an order under section 9 of the Act to the Charity's bank, requesting details of transactions from the Charity's bank accounts; and
  - b. on 23 July 2009, directions under section 8 of the Act were issued to the majority of the last recorded trustees, requesting information about their individual roles within the Charity.
64. The Inquiry took the following regulatory action to protect the Charity and its property:
  - a. on 11 May 2009 the Inquiry issued an order under section 18(1)(iv) of the Act, temporarily freezing the Charity's bank accounts. This order will remain in place until the Commission exercises its regulatory powers to facilitate a transfer of these funds to another charitable organisation(s) capable and willing to apply these funds for charitable purpose.
65. The Inquiry exchanged information during the investigation, under section 10 of the Act, with the Police and law enforcement agencies.
66. Having determined that the Charity had ceased to operate the Commission removed the Charity from the Register of Charities on 4 February 2011 in accordance with section 3(4) of the Act.

## Impact of Commission intervention

67. In publishing this report the Commission has placed its findings and conclusions regarding the Charity and its connections with the 07/07 terrorist attacks on the public record.
68. The Inquiry identified that funds held in the name of the Charity were at risk of not being applied for charitable purposes – these have been protected as a result of the Commission's intervention. The Commission will exercise its regulatory powers to facilitate a transfer of these funds to another charitable organisation(s) to apply for charitable purpose.

## Resources applied

69. The Commission adopted a multi-disciplinary team working approach on this case both before and during the Inquiry. The team consisted of investigators, accountants and lawyers.
70. The review of the decision to open the Inquiry<sup>15</sup> was co-ordinated by the Commission's Final Decision Team, with support from the Commission's legal team, and involved members of the Commission's Board.

## Issues for the wider sector

71. Charities, like other parts of society, condemn terrorist acts and indeed do much to alleviate conditions that may lead people to turn to extremism or terrorism. However, they must remember that they are vulnerable.
72. Instances of terrorist involvement in and abuse of charities are rare, but when they do occur they are completely unacceptable. It is the responsibility of charity trustees to safeguard their charity from the risk of abuse, including terrorist abuse. The Commission will support them to do this, and will also support charities carrying out legitimate charitable work, within the law.
73. Links between a charity and terrorist activity corrode public confidence in the integrity of charity. Links include, but are not limited to, fundraising, financial support or provision of facilities and formal or informal links to proscribed organisations. The conduct of, or comments made by, an individual connected to the charity (such as a trustee) in relation to terrorist, or criminal purposes may be taken into account.
74. Trustees are responsible for the overall management and administration of their charity. As part of this, it is a fundamental duty of all trustees to protect the property of their charity and to secure its application for the purposes of the charity.
75. Before dissolving or winding-up a charity, trustees must ensure that they follow the provisions in the charity's governing document and take steps to ensure that any remaining property belonging to the charity is applied or transferred to another charitable organisation(s) with compatible charitable objects.

---

<sup>15</sup> See paragraph 56.

**You can obtain large-print versions  
of this publication from the Charity  
Commission on 0845 300 0218**

**Charity Commission**

**Telephone: 0845 300 0218**

**Typetalk: 0845 300 0219**

**Website: [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)**