

AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr Sirajuddin Manzoor Munshi
Mr Zubair Moosa
Mr Ilyas Molvi
Mr Abdul Rehman Yunus Ghadiali
Mr Mohamed Musa
Mr Mohamed Saied Maljee
Mr Mohammed Hanif Patel
Mr Yakub Ibrahim Nanji
Mr Iqbal Patel
Mr Ayub Zumla
Mr Ahmed Ali Adam Patel

Charity number

1038679

Principal address

Willows Lane
Bolton
Lancashire
BL3 4HF

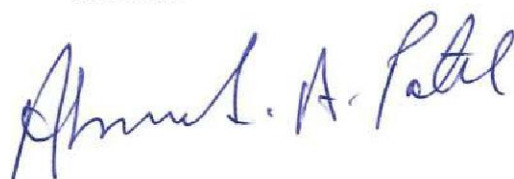
Accountants

SND Accountants & Business Advisors

9 Prescott Street
Bolton
BL3 3LZ

Auditors

Zia & Co
Chartered Certified Accountants &
Registered Auditors
825A Stockport Road
Manchester
M19 3PN



AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

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Ahmad A. Patel

AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 APRIL 2021

The trustees present their report and financial statements for the Year ended 30 April 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The trust's objects are as per the trust deed of education and the advancement of the religion of Islam. The trusts shall try to achieve the above objects by:

- establishing a college of further education for the teaching of the Holy Quran and other related subjects to Muslim students.
- establishing a Mosque as a place of worship and facilitate other activities allied to promotion of knowledge and understanding of the beliefs and institutions of Islam.
- establishing a school for secular education at secondary level up to the age of sixteen years.

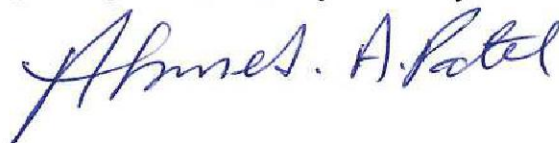
The trust runs the Al Jamiyah Al Islamiyah, an independent Muslim boarding school which is registered with the Department for Education & Skills (DFES). The school provides educational facilities for 170 boys ages 11 to 21 years. The pupils undertake various levels of study of Islamic instruction. All students according to the appropriate age group also follow the secondary school syllabus leading to GCSE's and undertake courses in the sixth form. The school provides alternative education with an Islamic ethos to boys who otherwise would have been in the state sector, many coming from ethnic backgrounds with low expectations and classed as academic under achievers.

The Charity provides faith-based education for 11 year olds and over in accordance with the principals and tenets of Islamic faith, tradition and curriculum. It also provides mainstream studies in line with the National Curriculum. The Charity provides educational advancement, including the provision of boarding and/or day school for children. It is our policy to attain the highest academic levels as well as providing an extra-curricular programme, for our students which aims to develop life-long leisure interests and help build self-confidence and a desire to be good ambassadors of their faith and contribute to a cohesive community. The charity is established for the furtherance of education in accordance with the Sunni Muslim faith.

Public benefit

The Darul Uloom develop strategic plans to make certain that they deliver maximum public benefit and achieve their strategic objectives, which fall under purposes defined by the charities act 2011. The trustees have carefully considered the Charity Commission's general guidance on public benefit in setting our objectives and planning our activities.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the trust should undertake.



AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Achievements and performance

The trustees can see the performance of the Darul Uloom has been good considering the transition of the institute. GCSE, AS levels and B-Tech courses continue to be delivered at the institute, positive steps have been taken to widen the opportunity available to the students. The staff of Darul Uloom are passionate and keen to work tirelessly with the available resources to deliver a high level of nurturing/guidance education. Regular meetings with the management and staff continue to enhance the development of the school.

This reporting year Darul Uloom had the joy of celebrating the graduation ceremony of 15 Hifz students and 12 Alim students, of those some Hifz students have progressed onto the Alim course and others have left to pursue further studies at college. The Alim course has provided a valuable grounding for graduates to further their Islamic and Academic aspirations, some of whom have gone onto Universities to study Degree courses.

The trust has maintained its duty to undertake and arrange of workplace assessments to ensure that hazards are being properly identified and appropriate protective measures are in place to assist in minimizing the possibility of loss from risks. Periodic reviews take place to assess the performance of the systems implemented.

Financial review

The school's principal funding source is from school fees, which is amounted to £276,980 (2020: £254,054). Overheads have remained fairly consistent. The financial situation of the school continues to be satisfactory. The present level of funding is adequate to support the continuation of the school and the trustees consider the financial position of the charity to be satisfactory.

It is the policy of the charity to maintain the unrestricted funds at a level which equate to approximately six months unrestricted expenditure.

Reserves policy

The charity has considered the reserves required and have taken into account their current and future liabilities. The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure. The trustees consider that this level will provide sufficient funds to ensure that support and governance costs are covered.

The charity holds sufficient reserves to meet the operating expenses of the charity in the event of a downturn in income and / or unforeseen increases in costs.

The trustee's review the reserve policy each year, assessing the risks and reflecting changes in factors such as investment income and also financial obligations and commitments.

The trustees have assessed the year-end reserves position and can conclude that it is within the policy target reserve for covering next year's core operational budget.

Investment policy

The overall objectives are to create sufficient income and capital growth to enable the charity to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of, and if possible, enhancement of the value of the invested funds while they are retained.

Both capital and income may be used at any time for the furtherance of the charity's aims and therefore the portfolio should be managed on a total return basis.

Future plans

The board has a current plan to maintain and improve upon the current standards of academic achievements as measured by external public examinations and independent value added criteria. The plans include collaboration and sharing of good practice between academic departments, improve internal communications and management information systems, to continue to develop the curriculum facilities alongside many others.



AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

The Al-Jamiatul Islamiyah Darul Uloom Lancashire UK is constituted under a Trust Deed dating 8th June 1994 and registered with Charity commission under charity number 1038679.

The trustees who served during the year and up to the date of signature of the financial statements were:

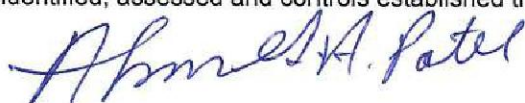
Mr Ahmed Ali Adam Patel	
Mr Yakub Ibrahim Nanji	(Appointed on 15 July 2020)
Mr Mohamed Hanif Patel	(Appointed on 15 July 2020)
Mr Mohamed Musa	(Appointed on 21 June 2021)
Mr Abdul Rehman Yunus Ghadiali	(Appointed on 21 June 2021)
Mr Mohamed Saied Malgee	(Appointed on 21 June 2021)
Mr Sirajuddin Manzoor Munshi	(Appointed on 21 June 2021)
Mr Ilyas Molvi	(Appointed on 21 June 2021)
Mr Zubair Moosa	(Appointed on 21 June 2021)
Mr Iqbal Patel	(Appointed on 30 June 2020)
Mr A S Tailor	(Resigned 9 February 2021)
Y M I Bhailok	(Resigned 2 October 2020)
Mr Y Mitha	(Resigned 9 February 2021)
Mr S Mohamed	(Resigned 9 February 2021)
Mr I Patel	(Resigned 9 February 2021)
Mr Ayub Zumla	(Appointed on 30 June 2020)
Mr N Mogra	(Resigned 29 April 2021)
Mr M A Patel	(Resigned 29 April 2021)

Recruitment and appointment of new trustees

Trustees are appointed by the board of trustees. The board of trustees comprises members from a variety of backgrounds. The procedure to appoint or withdraw a trustee is in accordance to the trust deed. There are informal procedures in place for the induction and training of new trustees. The trustees also encouraged to attend relevant external briefing training courses.

The trust runs Al Jamiah Al Islamiyah, an independent Muslim boarding school. The day to day management of the school is delegated to the Darul Uloom Academic Board headed by the chair of the academic board and by the head of the school and the sixth form. All major decisions are ratified by the board of trustees.

The board of trustees and Darul Uloom Academic Board are responsible for the management of the risks faced by the charity. Risks are identified, assessed and controls established throughout the year.



AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

The charity trustee are responsible for the general control and management of the charity. The trustees give their time freely and receive no remuneration or other financial benefits.

The trustees meet together as a body monthly and are responsible for all decisions taken in relation to the running of the Darul Uloom. To assist in the smooth running of the Darul Uloom the trustees have set up a number of sub-committees that help them oversee certain aspects of the Darul Uloom's work. Sub-committees are currently set up for finance and for day to day management of the building and report back with their recommendations to the full meeting of the trustees.

The trust runs Al Jamiah Al Islamiyah, an independent Muslim boarding school. The day to day management of the school is delegated to the Darul Uloom Academic Board headed by the chair of the academic board and by the head of the school and the sixth form. All major decisions are ratified by the board of trustees.

Induction and training of new trustees

Following appointment, new trustees are introduced to their new role and given copies of the trust deed and a guide to the policies and procedures adopted by our charity. A number of publications from the Charity Commission are also provided including the guidance on charities and public benefit and the advancement of religion for the public benefit.

This ensures that the new trustees are aware of the scope of their responsibilities under the Charities Act. Initially new trustees work with an existing trustee assisting on particular activities and projects run by the Darul Uloom. After satisfactory feedback from existing trustees, they are then given the task of leading a particular activity or project, reporting progress at trustees' meetings.

Key management remuneration

The trustees consider the board of trustees and the chief executive as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year.

Risk management

The Trustees review the major risks which the charity faces on a regular basis.

Risks are assessed, identified, managed and constantly reviewed. A set of policies and procedures are developed to manage risks, which form the internal controls framework. The policies are set by the trustees and the management team and implementation is delegated to the management team. The relevant policies and procedures are communicated to all staff and training given where applicable. Periodic policy reviews are undertaken to seek to ensure the internal controls framework remains relevant.

The Trustees regularly consider the Compliance Toolkit issued by the Charity Commission, Protecting Charities from Harm. The charity has established systems which continue to mitigate the significant risks.

The Trustees are committed to and are continuously striving to have stronger and more robust systems and controls which all provide even more transparency and accuracy and ensure the assets of the charity are safeguarded.

The organisation has both employer liability and public liability insurance policies in place. All employees are put through appropriate Disclosure and Barring Service checks.

A.A.P.

AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

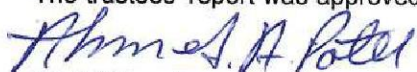
The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources of the trust for that Year.

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 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 charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.



Mr A A Patel
Trustee

Dated: 18 December 2023

AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

Opinion

We have audited the financial statements of Al-Jamiatul Islamiyah Darul Uloom Lancashire U.K. (the 'trust') for the Year ended 30 April 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 April 2021 and of its incoming resources and application of resources, for the Year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the trust's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

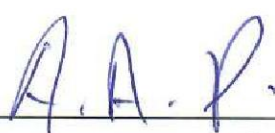
Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008⁷ require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements 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 trust'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

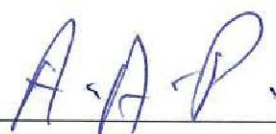
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

[Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud. An example explanation can be found in A2 non-publicly traded company preparing group and parent company financial statements under UK GAAP.]

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

Zia & Co are eligible for appointment as auditor of the trust by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.



AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Muhammad Saeed Zia (Senior Statutory Auditor)
for and on behalf of Zia & Co

18 December 2023

Chartered Certified Accountants
& Registered Auditors

825A
Stockport Road
Manchester
M19 3PN



AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 APRIL 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income and endowments from:</u>			
HMRC JRS Grants		371,678	
Donations and legacies	3	-	-
Charitable activities	4	276,980	254,054
Investments	5	177,702	185,819
Other income	6	51,619	38,229
Total income		877,979	478,102
<u>Expenditure on:</u>			
Charitable activities	7	842,771	682,176
Gross transfers from funds		-	-
Net expenditure for the year/			
Net movement in funds		35,208	(204,074)
Fund balances at 1 May 2020		5,885,575	6,089,648
Fund balances at 30 April 2021		5,920,782	5,885,574

The statement of financial activities includes all gains and losses recognised in the Year.

All income and expenditure derive from continuing activities.

A.A.P.

AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

BALANCE SHEET

AS AT 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11	3,838,266		3,904,148	
Investment properties	12	2,052,439		2,052,439	
		<u>5,890,707</u>		<u>5,956,587</u>	
Current assets					
Debtors	13	-		-	
Cash at bank and in hand		106,138		8,438	
		<u>106,138</u>		<u>8,438</u>	
Creditors: amounts falling due within one year	14	(76,063)		(79,451)	
Net current (liabilities)/assets			30,075		(71,013)
Total assets less current liabilities		<u>5,920,782</u>		<u>5,885,574</u>	
Income funds					
Unrestricted funds		5,920,782		5,885,574	
		<u>5,920,782</u>		<u>5,885,574</u>	

The financial statements were approved by the Trustees on 18 December 2023.

Mr A A Patel
Trustee

A. A. P.

AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	15		(80,003)		(232,963)
Investing activities					
Investment income received		177,702		185,819	
Net cash generated from investing activities			177,702		185,819
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			97,699		(47,144)
Cash and cash equivalents at beginning of Year			8,438		55,581
Cash and cash equivalents at end of Year			106,137		8,438

A. A. P.

AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The trust is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is possible 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 accrual 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.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% per annum on buildings
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AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

[Property rented to a group entity is accounted for as tangible fixed assets.]

1.8 Impairment of fixed assets

At each reporting end date, the trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

A.A.R.

AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The charity is exempt from tax on its charitable activities.

2 Critical accounting estimates and judgements

In the application of the trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Total	Unrestricted funds general
	2021	2020
	£	£
Donations and gifts	-	-

A.A.P.

AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

4 Charitable activities

	Charitable Income 2021 £	Charitable Income 2020 £
Services provided under contract	276,980	254,054

5 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Rental income	177,702	185,819

6 Other income

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Other income	51,619	38,229

A.A.P.

AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

7 Charitable activities

	Direct Costs	Support Costs	Total	Direct Costs	Support Costs	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Depreciation and impairment	-	65,880	65,880	-	67,011	67,011
Staff Costs - teaching	502,706	-	502,706	466,975	-	466,975
Canteen, Books & Resources	55,679	-	55,679	28,747	-	28,747
Insurance	-	24,682	24,682	-	18,546	18,546
Light and Heat	-	45,392	45,392	-	37,479	37,479
Telephone	-	1,985	1,985	-	136	136
Repairs & Maintenance	-	23,352	23,352	-	4,862	4,862
General Expenses	-	63,865	63,865	-	33,275	33,275
Health & Safety	-	31,855	31,855	-	-	-
Bank Charges	-	926	926	-	1,786	1,786
Interest payable and similar charges	-	2,398	2,398	-	251	251
Audit Fees	-	2,000	2,000	-	4,440	4,400
Bookkeeping Fees	-	1,000	1,000	-	-	-
Other legal and professional fees	-	3150	3150	-	-	-
Rates & Water	-	17,901	17,901	-	18,668	18,668
	<u>558,385</u>	<u>284,386</u>	<u>842,771</u>	<u>495,722</u>	<u>186,454</u>	<u>682,176</u>
	<u>558,385</u>	<u>284,386</u>	<u>842,771</u>	<u>495,722</u>	<u>186,454</u>	<u>682,176</u>

Governance costs includes payments to the auditors of £2,000 (2020: 3,600) for audit fees.

8 Net movement in funds

	2021	2020
	£	£
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	<u>65,880</u>	<u>67,011</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the trust during the Year.

A. A. P.

AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

10 Employees

The average monthly number of employees during the Year was:

2021 Number	2020 Number
42	42

No employee received emoluments of more than £60,000 (2020: None).

11 Tangible fixed assets

	Freehold buildings £
Cost	
At 1 May 2020	4,628,624
At 30 April 2021	4,628,624
Depreciation and impairment	
At 1 May 2020	724,476
Depreciation charged in the Year	65,880
At 30 April 2021	790,356
Carrying amount	
At 30 April 2021	3,838,268
At 30 April 2020	3,904,148

12 Investment property

	2021 £
Fair value	
At 1 May 2020 and 30 April 2021	2,052,439

Investment property comprises of freehold land and buildings. Investment properties are included within the financial statements at historical cost. The trustees are of the opinion that historical cost of investment property is not materially different from fair value.

A. R. P.

AL-JAMIATUL ISLAMIYAH DARUL ULOOM LANCASHIRE U.K.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

13 Debtors	2021	2020
	£	£
Amounts falling due within one year:		
Other debtors	-	-
	<u> </u>	<u> </u>
14 Creditors: amounts falling due within one year	2021	2020
	£	£
Other taxation and social security	28,541	16,267
Other creditors	40,222	31,447
Accruals and deferred income	7,301	31,737
	<u>76,063</u>	<u>79,451</u>
15 Cash generated from operations	2021	2020
	£	£
Surplus / (Deficit) for the Year	35,208	(204,074)
Adjustments for:		
Investment income recognised in statement of financial activities	(177,702)	(185,819)
Depreciation and impairment of tangible fixed assets	65,880	67,011
Movements in working capital:		
Decrease in debtors	-	14,068
Decrease in creditors	(3,389)	75,851
Cash absorbed by operations	<u>(80,003)</u>	<u>(232,963)</u>
16 Analysis of changes in net funds		
The trust had no debt during the year.		

Ahmed A. Raza