

Charity registration number: 1063741

GT Foundation

Annual Report and Financial Statements
for the Year Ended 30 June 2021

GT Foundation

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GT Foundation

Reference and Administrative Details

Trustees	Mr T M Mohsan Mr Zia Mohsan
Charity Registration Number	1063741
Principal Office	4 Billinge End Rd Blackburn BB2 6PT
Independent Examiner	Peaks & Valleys Business Enhancement Limited First Floor, Block C The Wharf Burnley BB11 1JG

GT Foundation

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 30 June 2021.

Objectives and activities

Public benefit

The principal objective of the charity is to advance the education of the public in Islamic customs and religious matters and in particular, but not exclusively, by establishing and operating a school and by making grants and donations to charitable organisations.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Structure, governance and management

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on 27 April 2022 and signed on its behalf by:

GT Foundation
Trustees' Report

.....
Mr T M Mohsan
Trustee

GT Foundation

Statement of Trustees' Responsibilities

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

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 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 business.

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

Approved by the trustees of the charity on 27 April 2022 and signed on its behalf by:

.....
Mr T M Mohsan
Trustee

GT Foundation

Independent Examiner's Report to the trustees of GT Foundation

I report to the trustees on my examination of the accounts of GT Foundation for the year ended 30 June 2021.

Responsibilities and basis of report

As the charity trustees of GT Foundation you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the GT Foundation's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of GT Foundation as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
David Sharples
ACA

First Floor, Block C
The Wharf
Burnley
BB11 1JG

27 April 2022

GT Foundation

Statement of Financial Activities for the Year Ended 30 June 2021

	Note	Unrestricted funds £	Total 2021 £
Income and Endowments from:			
Donations and legacies		40,571	40,571
Charitable activities		98,592	98,592
Total income		<u>139,163</u>	<u>139,163</u>
Expenditure on:			
Charitable activities		(85,693)	(85,693)
Total expenditure		<u>(85,693)</u>	<u>(85,693)</u>
Net income		<u>53,470</u>	<u>53,470</u>
Net movement in funds		53,470	53,470
Reconciliation of funds			
Total funds brought forward		166,675	166,675
Total funds carried forward	15	<u>220,145</u>	<u>220,145</u>
	Note	Unrestricted funds £	Total 2020 £
Income and Endowments from:			
Donations and legacies		25,995	25,995
Charitable activities		47,665	47,665
Total income		<u>73,660</u>	<u>73,660</u>
Expenditure on:			
Charitable activities		(78,579)	(78,579)
Total expenditure		<u>(78,579)</u>	<u>(78,579)</u>
Net expenditure		<u>(4,919)</u>	<u>(4,919)</u>
Net movement in funds		(4,919)	(4,919)
Reconciliation of funds			
Total funds brought forward		171,594	171,594
Total funds carried forward	15	<u>166,675</u>	<u>166,675</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 15.

The notes on pages 8 to 17 form an integral part of these financial statements.

GT Foundation

(Registration number: 1063741) Balance Sheet as at 30 June 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	171,211	177,313
Current assets			
Debtors	11	206	207
Cash at bank and in hand	12	<u>110,829</u>	<u>49,507</u>
		111,035	49,714
Creditors: Amounts falling due within one year	13	<u>(62,101)</u>	<u>(60,352)</u>
Net current assets/(liabilities)		<u>48,934</u>	<u>(10,638)</u>
Net assets		<u>220,145</u>	<u>166,675</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>220,145</u>	<u>166,675</u>
Total funds	15	<u>220,145</u>	<u>166,675</u>

The financial statements on pages 6 to 17 were approved by the trustees, and authorised for issue on 27 April 2022 and signed on their behalf by:

.....

Mr T M Mohsan
Trustee

GT Foundation

Notes to the Financial Statements for the Year Ended 30 June 2021

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

GT Foundation meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

GT Foundation

Notes to the Financial Statements for the Year Ended 30 June 2021

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

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Notes to the Financial Statements for the Year Ended 30 June 2021

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

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Notes to the Financial Statements for the Year Ended 30 June 2021

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

GT Foundation

Notes to the Financial Statements for the Year Ended 30 June 2021

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

2 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Donations and legacies;		
Donations from individuals	40,571	40,571
Total for 2021	<u>40,571</u>	<u>40,571</u>
Total for 2020	<u>25,995</u>	<u>25,995</u>

3 Income from charitable activities

	Unrestricted funds General £	Total funds £
	98,592	98,592
Total for 2021	<u>98,592</u>	<u>98,592</u>
Total for 2020	<u>47,665</u>	<u>47,665</u>

4 Expenditure on charitable activities

	Unrestricted funds General £	Total funds £
	85,693	85,693
Total for 2020	<u>78,579</u>	<u>78,579</u>

Note

Governance costs

GT Foundation

Notes to the Financial Statements for the Year Ended 30 June 2021

**Total
expenditure
£**

5 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total funds £
Staff costs		
Wages and salaries	65,365	65,365
Pension costs	870	870
Audit fees		
Other fees paid to auditors	1,600	1,600
Depreciation, amortisation and other similar costs	6,103	6,103
Other governance costs	11,755	11,755
Total for 2021	85,693	85,693
Total for 2020	78,579	78,579

6 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	6,103	6,108

7 Trustees remuneration and expenses

8 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	65,365	62,844
Pension costs	870	730
	66,235	63,574

GT Foundation

Notes to the Financial Statements for the Year Ended 30 June 2021

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021	2020
	No	No
Average number of employees	<u>15</u>	<u>12</u>

No employee received emoluments of more than £60,000 during the year

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Notes to the Financial Statements for the Year Ended 30 June 2021

9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

10 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 July 2020	304,380	10,966	315,346
At 30 June 2021	304,380	10,966	315,346
Depreciation			
At 1 July 2020	127,127	10,906	138,033
Charge for the year	6,087	15	6,102
At 30 June 2021	133,214	10,921	144,135
Net book value			
At 30 June 2021	171,166	45	171,211
At 30 June 2020	177,253	60	177,313

11 Debtors

	2021 £	2020 £
Prepayments	206	207

12 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	110,829	49,507

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	10	10
Other creditors	53,714	53,566
Accruals	8,377	6,776
	62,101	60,352

GT Foundation

Notes to the Financial Statements for the Year Ended 30 June 2021

14 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £870 (2020 - £730).

15 Funds

	Balance at 1 July 2020 £	Incoming resources £	Resources expended £	Balance at 30 June 2021 £
Unrestricted funds				
General	166,675	139,163	(85,693)	220,145
	Balance at 1 July 2019 £	Incoming resources £	Resources expended £	Balance at 30 June 2020 £
Unrestricted funds				
General	171,594	73,660	(78,579)	166,675

16 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 30 June 2021 £
Tangible fixed assets	171,211	171,211
Current assets	111,035	111,035
Current liabilities	(62,101)	(62,101)
Total net assets	220,145	220,145
	Unrestricted funds General £	Total funds at 30 June 2020 £
Tangible fixed assets	177,313	177,313
Current assets	49,714	49,714
Current liabilities	(60,352)	(60,352)
Total net assets	166,675	166,675

GT Foundation

Notes to the Financial Statements for the Year Ended 30 June 2021

17 Analysis of net funds

	At 1 July 2020 £	At 30 June 2021 £
Cash at bank and in hand	49,507	49,507
Net debt	49,507	49,507
	At 1 July 2019 £	At 30 June 2020 £
Net debt	-	-

GT Foundation

Statement of Financial Activities by fund for the Year Ended 30 June 2021

	Total Unrestricted Funds 2021 £	Total Unrestricted Funds 2020 £
Income and Endowments from:		
Donations and legacies	40,571	25,995
Charitable activities	<u>98,592</u>	<u>47,665</u>
Total income	<u>139,163</u>	<u>73,660</u>
Expenditure on:		
Charitable activities	<u>(85,693)</u>	<u>(78,579)</u>
Total expenditure	<u>(85,693)</u>	<u>(78,579)</u>
Net income/(expenditure)	<u>53,470</u>	<u>(4,919)</u>
Net movement in funds	53,470	(4,919)
Reconciliation of funds		
Total funds brought forward	<u>166,675</u>	<u>171,594</u>
Total funds carried forward	<u><u>220,145</u></u>	<u><u>166,675</u></u>

GT Foundation

Detailed Statement of Financial Activities for the Year Ended 30 June 2021

	Total 2021 £	Total 2020 £
Income and Endowments from:		
Donations and legacies (analysed below)	40,571	25,995
Charitable activities (analysed below)	<u>98,592</u>	<u>47,665</u>
Total income	<u>139,163</u>	<u>73,660</u>
Expenditure on:		
Charitable activities (analysed below)	<u>(85,693)</u>	<u>(78,579)</u>
Total expenditure	<u>(85,693)</u>	<u>(78,579)</u>
Net income/(expenditure)	<u>53,470</u>	<u>(4,919)</u>
Net movement in funds	53,470	(4,919)
Reconciliation of funds		
Total funds brought forward	<u>166,675</u>	<u>171,594</u>
Total funds carried forward	<u><u>220,145</u></u>	<u><u>166,675</u></u>

GT Foundation

Detailed Statement of Financial Activities for the Year Ended 30 June 2021

	Total 2021 £	Total 2020 £
<i>Donations and legacies</i>		
Appeals and donations	40,571	25,995
	<u>40,571</u>	<u>25,995</u>
<i>Charitable activities</i>		
Contractual income from government or public authorities	29,954	-
Al-Asr Education Centre	68,638	47,665
	<u>98,592</u>	<u>47,665</u>
<i>Charitable activities</i>		
Wages and salaries	65,365	62,844
Staff pensions (Defined contribution) - pension scheme 1	870	730
Rates	8,144	5,065
Telephone and fax	-	1
Sundry expenses	3,611	2,231
Accountancy fees	1,600	1,600
Depreciation of freehold property	6,088	6,088
Depreciation of fixtures and fittings	9	12
Depreciation of office equipment	6	8
	<u>85,693</u>	<u>78,579</u>