

ABU-HANEEFA EDUCATIONAL TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

ABU-HANEEFA EDUCATIONAL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Aqeel Lone Abdul Hamid Hanif Khan Abu Haneefa Educational Trust
Charity number	1079416
Principal address	339-341 Bath Road Slough Berkshire SL1 5PR
Independent examiner	MAH Accountants 40 Elliman Avenue SLOUGH Berkshire SL2 5BG

ABU-HANEEFA EDUCATIONAL TRUST

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ABU-HANEEFA EDUCATIONAL TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and financial statements for the year ended 31 December 2020.

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 Charity'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

Our objectives

Our objectives are set out to reflect our faith and community aims. Our dual aims remain to provide a facility where Muslims can worship and to provide a community facility for all the inhabitants of Slough. Our long-term ambition is to build the self-confidence of Slough's Muslims in their faith, and through our community facilities and activities help make our area a peaceful, vibrant and harmonious community.

Use of volunteers

Volunteers are an important resource in both our faith and community work. Volunteers are involved in most of our faith and community activities. We encourage all members of our centre to be involved in voluntary activities and to share their skills with others.

Donation-making policy

Those attending our Centre have given generously to disaster appeals arising from natural calamities affecting various countries around the world. We administered the receipt and distribution of Zakat and Fitrana, which is collected and distributed in accordance with the teachings of Islam for the relief of those in poverty and the destitute.

Our aims

The objects of the charity are set out in the charity's trust deed and are summarised as follows:

- To advance the education of children and young people, in particular Muslims, through the establishment and maintenance of a school or schools based in Slough.
- To advance the Islamic faith in the Slough area for the benefit of the public in particular through the holding of prayer meetings, lectures, the public celebration of religious festivals and the distribution of literature on the Islamic faith to enlighten others.

ABU-HANEEFA EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

The materials and building work for the Mortuary Project was completed in 2020 but due to COVID 19 will be launched in 2021, We are hoping to provide a FREE FUNERAL SERVICE for the community of west Slough .

In September 2019 AL-Madani Independent Grammar School admitted pupils in to Upper key stage 4. We Also started work on the outdoor wudu facility for the boys and the science lab was completed in late 2020. The total number of pupils was 48.

The Full-time Alamiyyah course progressed into its 5th year with 5 students while the 2 year modular courses in Fiqh, Tafseer and Hadith was completed with 16 students.

The number of children attending the MAKTAB (After school Quran club) is up to 150 with many on the waiting list.

AL Madani Girls Secondary school run by the trust continued its remarkable success with its 6th Batch of GCSE results with 7 or more GCSEs (100%) above the national average – a fantastic achievement.

Financial review

The financial results of the charity are set out on page 4.

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Structure, governance and management

Abu-Haneefa Educational Trust is a UK registered charitable trust established in 2000 and is based in Slough. The charity is managed by 3 trustees and operates with the support of volunteers who are responsible for the operations of the charity.

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

Aqeel Lone

Abdul Hamid

Hanif Khan

Abu Haneefa Educational Trust

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

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Aqeel Lone

Trustee

Dated:

ABU-HANEEFA EDUCATIONAL TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ABU-HANEEFA EDUCATIONAL TRUST

I report to the Trustees on my examination of the financial statements of Abu-Haneeefa Educational Trust (the Charity) for the year ended 31 December 2020.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

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

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ACCA, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no 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 the Charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable 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 financial statements to be reached.

Muhammad Ahsan Hafeez
MAH Accountants
40 Elliaman Avenue
SLOUGH
Berkshire
SL2 5BG

Dated:

ABU-HANEEFA EDUCATIONAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<u>Income and endowments from:</u>			
Donations and other incoming resources	3	189,846	274,056
Charitable activities	4	297,523	253,078
Other income	5	59,595	3,000
Total income		<u>546,964</u>	<u>530,134</u>
<u>Expenditure on:</u>			
Raising funds	6	<u>127,900</u>	<u>129,585</u>
Charitable activities	7	<u>416,251</u>	<u>311,743</u>
Total resources expended		<u>544,151</u>	<u>441,328</u>
Net income for the year/ Net movement in funds		2,813	88,806
Fund balances at 1 January 2020		<u>664,750</u>	<u>575,944</u>
Fund balances at 31 December 2020		<u><u>667,563</u></u>	<u><u>664,750</u></u>

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

All income and expenditure derive from continuing activities.

ABU-HANEEFA EDUCATIONAL TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11		1,960,987		1,974,047
Current assets					
Cash at bank and in hand		46,029		33,602	
Creditors: amounts falling due within one year	13	(60,651)		(17,097)	
Net current (liabilities)/assets			(14,622)		16,505
Total assets less current liabilities			1,946,365		1,990,552
Creditors: amounts falling due after more than one year	14		(1,278,802)		(1,325,802)
Net assets			667,563		664,750
Income funds					
Unrestricted funds			667,563		664,750
			667,563		664,750

The financial statements were approved by the Trustees on

.....
Aqeel Lone
Trustee

.....
Abdul Hamid
Trustee

ABU-HANEEFA EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity'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 Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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 Charity 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.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Income

Income is recognised when the Charity 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 Charity 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.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

ABU-HANEEFA EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Resources expended

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

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop.

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

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage as set out in the notes to the accounts.

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:

Land and buildings	variable rate
Plant and machinery	20% reducing balance method

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 Impairment of fixed assets

At each reporting end date, the Charity 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).

1.8 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.

ABU-HANEEFA EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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 Charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the Charity'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.

ABU-HANEEFA EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and other incoming resources

	2020	2019
	£	£
Donations and gifts	180,501	271,326
Zakat & fitrana	9,345	2,730
	<u>189,846</u>	<u>274,056</u>

4 Charitable activities

	Donations 2020	Donations 2019
	£	£
School income	<u>297,523</u>	<u>253,078</u>

5 Other income

	2020	2019
	£	£
Employer allowance	4,000	3,000
User definable other income heading 1	55,595	-
	<u>59,595</u>	<u>3,000</u>

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Subcontractors	104,767	102,163
Support costs	23,133	27,422
	<u>127,900</u>	<u>129,585</u>
Fundraising and publicity	<u>127,900</u>	<u>129,585</u>

ABU-HANEEFA EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Charitable activities

	Governance costs	Charitable Expenditure Heading 6	Total 2020	Total 2019
	£	£	£	£
Staff costs	-	312,319	312,319	254,567
Depreciation and impairment	-	19,133	19,133	13,771
Rates	30,903	-	30,903	7,343
Insurance	1,210	-	1,210	694
Light & heat	17,797	-	17,797	20,790
Repair and maintenance	20,316	-	20,316	9,121
Postage and stationery	2,043	-	2,043	-
Telephone cost	1,402	-	1,402	1,436
Legal fee	-	-	-	329
Sundry expenses	70	-	70	962
Charitable expenditure heading 10	1,713	-	1,713	-
	<u>75,454</u>	<u>331,452</u>	<u>406,906</u>	<u>309,013</u>
Zakat & fitrana	9,345	-	9,345	2,730
	<u>84,799</u>	<u>331,452</u>	<u>416,251</u>	<u>311,743</u>

8 Grants payable

	2020 £	2019 £
Grants to institutions:		
Zakat & fitrana	9,345	2,730
	<u>9,345</u>	<u>2,730</u>

-

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

ABU-HANEEFA EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Employee	44	40

Employment costs

	2020 £	2019 £
Wages and salaries	304,397	245,800
Social security costs	7,295	7,526
Other pension costs	627	1,241
	312,319	254,567

There were no employees whose annual remuneration was £60,000 or more.

11 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1 January 2020	2,036,622	62,799	2,099,421
Additions	6,072	-	6,072
At 31 December 2020	2,042,694	62,799	2,105,493
Depreciation and impairment			
At 1 January 2020	70,337	55,037	125,374
Depreciation charged in the year	17,580	1,552	19,132
At 31 December 2020	87,917	56,589	144,506
Carrying amount			
At 31 December 2020	1,954,777	6,210	1,960,987
At 31 December 2019	1,966,285	7,762	1,974,047

12 Financial instruments

	2020 £	2019 £
Carrying amount of financial liabilities		
Other creditors	1,338,187	1,339,819

ABU-HANEEFA EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	1,266	3,080
Other creditors	35,945	14,017
Accruals and deferred income	23,440	-
	<u>60,651</u>	<u>17,097</u>

14 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Karze Hassna	<u>1,278,802</u>	<u>1,325,802</u>

15 Retirement benefit schemes

Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £627 (2019 - £1,241).

16 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).