

Charity registration number: 1082410

# Rabia Educational Trust

Annual Report and Financial Statements  
for the Year Ended 31 August 2021

## **Rabia Educational Trust**

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## **Rabia Educational Trust**

### **Reference and Administrative Details**

<b>Trustees</b>	Mr Zafar Iqbal Khan Mr Raja Mageed Khan Mr Samsul Haque Mr U Khan
<b>Principal Office</b>	12-16 Portland Road Luton Bedfordshire LU4 8AX
<b>Charity Registration Number</b>	1082410
<b>Bankers</b>	Barclays Bank PO Box 48 28 George Street Luton LU1 2AE
<b>Independent Examiner</b>	Nasir Rafiq Dua Governance 123-131 Bradford Street Bradford Court Birmingham B12 0NS



## **Rabia Educational Trust**

### **Trustees' Report**

The trustees present the annual report together with the financial statements of the charity for the year ended 31 August 2021.

#### **Objectives and activities**

##### ***Objects and aims***

The objectives of the Trust as set by the Trust deed continue to be to advance the single sex faith based education of girls and boys and to advance the academic as well as Islamic education in accordance with the Holy Quran and Hadith within the bounds of Ahle Sunnah Wal Jamaat.

The primary aim of the Charity is to provide an Islamic based education of children. However, the public are welcome to seek knowledge and education of the Islamic faith should they so wish.

##### ***Objectives, strategies and activities***

The main activities during the year were:

- Provision of both academic and religious education to girls and boys in accordance with the Islamic faith.
- Further enhancement of teaching materials and library resources to maximising learning.
- Further enhancement of learning facilities.
- Increasing awareness of the trust and the services it provides.
- Provision of field trips to farms, camping trips to develop social and interpersonal skills of students.
- Facilitate community counselling and advice on local issues and needs.
- helping local/national charities.

##### ***Public benefit***

Our Governors are responsible for seeking a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and to further widen access to the education our School provides. In taking forward our strategy we:

Review and benchmark the School's academic syllabus, teaching practices and examination results.

Ensure the range of co-curricular activities available to our pupils is stimulating and challenging;

Invest in technology and the infrastructure of our School.

Co-operate and share resources with local schools and continue to review and develop our methods to ensure wider access to pupils from all backgrounds.

Our ethos: a caring School serving our local community and society

Rabia Schools is a charitable trust which seeks to benefit the public the pursuit of its stated aims. Our fees are set at a level to ensure the financial availability of the School and at a level that is consistent with our aim of providing a first class Islamic education to boys and girls.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our School will be able to aide to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved their peers. Entrance by interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide.

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment.

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.

##### ***Use of volunteers***

The charity uses the services of volunteers in a number of ways;

- To assist in raising the profile of the charity.
- To assist with maintaining the records of the charity.
- To assist with the development of the charity.
- To provide teachings support.
- To maintain the buildings.



## **Rabia Educational Trust**

### **Trustees' Report**

#### **Achievements and performance**

There were 25 students during 2020/21 (44 students during 2019/20). The results achieved by our students at GCSE's were, 100% pupils achieving English Language grade 4 or above, 100% pupils achieving Maths grade 4 or above, 100% of pupils achieving at least 5 GCSE grades from grade 4 and above including English Language and Maths.

Established evening Quran classes for children between 5-16 years of age.

School reopened for the Autumn term in September 2020 after the first lockdown. The school moved to remote learning only during the third lockdown between 06 January 2021 to 08 March 2021.

#### **Financial review**

During the year, the Trust income was £211k (2020: £216k) and after spend of £235k (2020: £224k), the carry forward reserves stood at £505k (2020: £529k).

The Trust Qard e Hassan interest free loan stood at £475k (2020: £476k).

The Trustees have several options to address the financial challenges of the Trust, in summary these are as follows:

1. Remove the de-registration/restriction notice from the DfE and be able to take on more students. The Trust currently has a waiting list for new students. The Trustees believe with new students and the existing financial model the school can generate sufficient income from fees and investment/rental to pay off QH loans over a period.
2. The Trustees feel that if the school is forced to shut or not able to operate, then it will immediately save the schools costs and have sufficient income from rental to pay QH loans over several years.
3. Disposal of one of the Trust owned buildings to pay QH loans. The Trust has sufficient freehold property.

The Trustees believe that the school remains a viable going concern despite the issues it faces. The local community is in full support for using its services and by providing funds.

#### **Policy on reserves**

The Trustees have resolved to establish over the next few years reserves to provide for future activities, and to provide funding for the expected expenditure for four months ahead.

Current reserves are adequate based on our knowledge and experience.

#### **Principal funding sources**

The principal income was generated through the provision of education in accordance with the objectives of the charity. The principal expenditure related to the cost of providing education.

#### **Plans for future periods**

##### **Aims and key objectives for future periods**

Due to closure of the school on 26 September 2021, the trustees have determined that it is in the best interests of the community and its children to support their education in a different way going forward. We have resolved that resources and funds spent appealing matters relating to the operation of an independent school are better directed for the benefit of the beneficiaries of our charity.

We will support and champion the education of our young people through tuition services, resources and supporting parents who wish to home educate their children. Our community and its children have the right to be educated in a way that gives them the key skills to succeed whilst embracing our Islamic faith and culture. Our charitable objects allow us to support families in achieving this right whilst there continues to be a lack of state funded Islamic schools.

Our support will also be delivered through helping other organisations who have or share some of our objectives, to deliver their services.

## Rabia Educational Trust

### Trustees' Report

#### **Going concern**

During the year, although the charity showed a loss of £24k – this equal to the yearly depreciation charge. This suggests the charity was able to breakeven from a cash inflow and outflow point of view. Although the school has now closed, the charity is still operating and generating income from children attending evening Islamic classes and for a tuition service. The charity has plans to provide Aalimiyah courses (a course for female Islamic scholars). The charity continues to receive rental income from charity properties.

#### **Structure, governance and management**

##### ***Nature of governing document***

The Charity is an unincorporated association created by a trust deed dated 12th September 2000. This was amended on the 25th October 2013.

##### ***Recruitment and appointment of trustees***

New Trustees are appointed by invitation based upon the specific requirements and the skill set needed by the charity to help advance the charitable objectives.

##### ***Induction and training of trustees***

We have at the moment no policy or procedure for the training of trustees, other than the "do's and don'ts" publication provided by the charity.

##### ***Organisational structure***

Trustees meet regularly on a half termly basis to discuss and plan objectives and implementation thereof. Matters of general concern are raised with all members. Day to day management and responsibility for implementing policies is carried out by the Head Teacher. There are 12 full time and 6 part time employees plus a number of volunteers and employment trainees.

#### **Relationships with related parties**

Other than the Trustees and those persons connected with them there are no individuals who are related parties. Details of transactions with related parties are shown in the notes to the accounts. This includes remuneration and expenses paid to the Trustees.

#### **Major risks and management of those risks**

The trustees acknowledge their responsibilities for establishing a risk management system and are satisfied that appropriate systems and procedures are under development and continue to keep the strategic, business and operational risk under review with view to introducing, where necessary, additional procedures to mitigate these risks.

The annual report was approved by the trustees of the charity on 28/06/22 and signed on its behalf by:

  
.....  
Mr Samsul Haque  
Trustee



## **Rabia Educational Trust**

### **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.

## **Rabia Educational Trust**

### **Independent Examiner's Report to the trustees of Rabia Educational Trust**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2021 which are set out on pages 7 to 14.

#### **Respective responsibilities of trustees and examiner**

As the charity's trustees of Rabia Educational Trust 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 Rabia Educational Trust'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 Rabia Educational Trust 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.

.....  
Nasir Rafiq  
ICAEW

Dua Governance  
123-131 Bradford Street  
Bradford Court  
Birmingham  
B12 0NS

Date: 27.06.2022



# Rabia Educational Trust

## Statement of Financial Activities for the Year Ended 31 August 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	2	29,637	-	29,637
Charitable activities	3	74,794	-	74,794
Other income	4	107,014	-	107,014
Total Income		211,445	-	211,445
<b>Expenditure on:</b>				
Charitable activities	5	(234,823)	-	(234,823)
Total Expenditure		(234,823)	-	(234,823)
Net movement in funds		(23,378)	-	(23,378)
<b>Reconciliation of funds</b>				
Total funds brought forward		161,023	367,811	528,834
Total funds carried forward	17	137,645	367,811	505,456

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
<b>Income and Endowments from:</b>				
Donations and legacies		49,420	-	49,420
Charitable activities		60,686	-	60,686
Other income		105,489	-	105,489
Total income		215,595	-	215,595
<b>Expenditure on:</b>				
Charitable activities		(224,033)	-	(224,033)
Total expenditure		(224,033)	-	(224,033)
Net expenditure		(8,438)	-	(8,438)
Net movement in funds		(8,438)	-	(8,438)
<b>Reconciliation of funds</b>				
Total funds brought forward		169,461	367,811	537,272
Total funds carried forward	17	161,023	367,811	528,834


All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2020 is shown in note 17.

**Rabia Educational Trust**

(Registration number: 1082410)  
Balance Sheet as at 31 August 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	12	1,024,890	1,048,175
<b>Current assets</b>			
Debtors	13	-	10,500
Cash at bank and in hand	14	81	490
		81	10,990
<b>Creditors: Amounts falling due within one year</b>	15	(44,137)	(54,653)
<b>Net current liabilities</b>		(44,056)	(43,663)
<b>Total assets less current liabilities</b>		980,834	1,004,512
<b>Creditors: Amounts falling due after more than one year</b>	16	(475,378)	(475,676)
<b>Net assets</b>		505,456	528,834
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		367,811	367,811
<b>Unrestricted income funds</b>			
Unrestricted funds		137,645	161,023
<b>Total funds</b>	17	505,456	528,834

The financial statements on pages 7 to 14 were approved by the trustees, and authorised for issue on 28/06/22 and signed on their behalf by:

  
.....  
Mr Samsul Haque  
Trustee



## **Rabia Educational Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2021**

#### **1 Accounting policies**

##### **Statement of compliance**

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### **Basis of preparation**

Rabia Educational Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **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**

During the year, although the charity showed a loss of £24k – this equal to the yearly depreciation charge. This suggests the charity was able to breakeven from a cash inflow and outflow point of view. Although the school has now closed, the charity is still operating and generating income from children attending evening Islamic classes and for a tuition service. The charity has plans to provide Aalimiyah courses (a course for female Islamic scholars). The charity continues to receive rental income from charity properties.

##### **Income and endowments**

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.

##### **Charitable activities**

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.

##### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

##### **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.



## **Rabia Educational Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 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 £500.00 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:

Freehold Property - 2% straight line  
Plant & Machinery - 20% reducing balance

#### **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.

#### **Trade creditors**

are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **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.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.



# Rabia Educational Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 2 Income from donations and legacies

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Donations and legacies;			
Donations from individuals	29,637	29,637	49,420
	<u>29,637</u>	<u>29,637</u>	<u>49,420</u>

### 3 Income from charitable activities

	Unrestricted funds General £	Total 2021 £	Total 2020 £
School	74,794	74,794	60,686
	<u>74,794</u>	<u>74,794</u>	<u>60,686</u>

### 4 Other income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Rental Income	64,160	64,160	70,235
HMRC JRS Grant	42,811	42,811	35,210
Other Income	43	43	44
	<u>107,014</u>	<u>107,014</u>	<u>105,489</u>

### 5 Expenditure on charitable activities

	Activity undertaken directly £	Total 2021 £	Total 2020 £
School	201,479	201,479	218,363
Governance Cost	33,344	33,344	5,670
	<u>234,823</u>	<u>234,823</u>	<u>224,033</u>

# Rabia Educational Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 6 Analysis of governance and support costs

#### Governance costs

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Independent examiner fees			
Examination of the financial statements	2,340	2,340	2,340
Legal fees	31,004	31,004	3,330
	<u>33,344</u>	<u>33,344</u>	<u>5,670</u>

### 7 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	<u>23,285</u>	<u>23,392</u>

### 8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

### 9 Staff costs

The aggregate payroll costs were as follows:

#### Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	<u>124,657</u>	<u>121,806</u>

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

	2021 No	2020 No
Employee No	<u>20</u>	<u>28</u>

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

### 10 Independent examiner's remuneration

	2021 £	2020 £
Examination of the financial statements	<u>2,340</u>	<u>2,340</u>



# Rabia Educational Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 11 Taxation

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

### 12 Tangible fixed assets

	Land and buildings £	Plant & Machinery £	Total £
<b>Cost</b>			
At 1 September 2020			
Disposals	1,269,800	60,750	1,330,550
	-	(4,279)	(4,279)
At 31 August 2021	1,269,800	56,471	1,326,271
<b>Depreciation</b>			
At 1 September 2020			
Charge for the year	223,769	58,606	282,375
Eliminated on disposals	22,856	429	23,285
	-	(4,279)	(4,279)
At 31 August 2021	246,625	54,756	301,381
<b>Net book value</b>			
At 31 August 2021	1,023,175	1,715	1,024,890
At 31 August 2020	1,046,031	2,144	1,048,175

### 13 Debtors

	2021 £	2020 £
Trade debtors	-	10,500

### 14 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	81	490

### 15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	38,605	43,148
Other creditors	2,829	7,829
Accruals	2,703	3,676
	44,137	54,653

### 16 Creditors: amounts falling due after one year

	2021 £	2020 £
Other loans	475,378	475,678

# Rabia Educational Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 17 Funds

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>				
Unrestricted general funds	(161,023)	(211,445)	234,823	(137,645)
<b>Restricted funds</b>	<u>(367,811)</u>	<u>-</u>	<u>-</u>	<u>(367,811)</u>
<b>Total funds</b>	<u><u>(528,834)</u></u>	<u><u>(211,445)</u></u>	<u><u>234,823</u></u>	<u><u>(505,456)</u></u>

### 18 Related party transactions

Trustee Z I Khan is also a director of Treetop Nursery Ltd which rents premises at commercial rates of £24,000 per annum (2020: £24,000)

Trustee Z I Khan is also a director of Luton Dawah Academy which rents premises at commercial rates of £24,000 per annum (2020: £24,000)

During the year Trustee Z I Khan gave £16,500 (2020: £5,000) qard e hasan.