

Charity registration number: 1082410

Rabia Educational Trust

Annual Report and Financial Statements
for the Year Ended 31 August 2022

Rabia Educational Trust

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 4
Statement of Trustees' Responsibilities	5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9 to 14

Rabia Educational Trust

Reference and Administrative Details

Trustees	Mr Zafar Iqbal Khan
	Mr Raja Mageed Khan
	Mr Samsul Haque
	Mr U Khan
	Naeem Khan (appointed 11 February 2023)
	Muzamal Hussain (appointed 06 May 2023)
	Mohammad Arfan Anwar (appointed 06 May 2023)
Principal Office	12-16 Portland Road Luton Bedfordshire LU4 8AX
Charity Registration Number	1082410
Bankers	Barclays Bank PO Box 48 28 George Street Luton LU1 2AE
Independent Examiner	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 2022.

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

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

Providing evening Quran classes for 137 children between 5-16 years of age. 15 children are on our Quran memorisation course. The charity opened up its facilities i.e., Science & IT labs to the community to aid children with home schooling & tuition. The charity is subject to Charity Commission intervention and is being supported by an Interim Manager.

Financial review

During the year, the Trust income was £121k (2021: £211k) and after spend of £121k (2021: £235k), the carry forward reserves stood at £505k (2021: £505k).

The Trust Qard e Hassan interest free loan stood at £471k (2021: £475k).

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.

Going concern

During the year, although the charity showed a loss of £0.6k (2021: £24k) –This suggests the charity was able to breakeven after a significant deficit in the prior year. 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.

Rabia Educational Trust

Trustees' Report

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.

27 June 2023

The annual report was approved by the trustees of the charity on 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 2022 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

.....
Nasir Rafiq
ICAEW

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

27 June 2023

Date:.....

Rabia Educational Trust

Statement of Financial Activities for the Year Ended 31 August 2022

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies	2	8,357	-	8,357
Charitable activities	3	55,348	-	55,348
Other income	4	56,836	-	56,836
Total Income		120,541	-	120,541
Expenditure on:				
Charitable activities	5	(121,195)	-	(121,195)
Total Expenditure		(121,195)	-	(121,195)
Net movement in funds		(654)	-	(654)
Reconciliation of funds				
Total funds brought forward		137,645	367,811	505,456
Total funds carried forward	17	136,991	367,811	504,802

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

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

The funds breakdown for 2021 is shown in note 17.

Rabia Educational Trust
(Registration number: 1082410)
Balance Sheet as at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	1,001,605	1,024,890
Current assets			
Debtors	13	14,170	-
Cash at bank and in hand	14	100	81
		14,270	81
Creditors: Amounts falling due within one year	15	(40,275)	(44,137)
Net current liabilities		(26,005)	(44,056)
Total assets less current liabilities		975,600	980,834
Creditors: Amounts falling due after more than one year	16	(470,798)	(475,378)
Net assets		504,802	505,456
Funds of the charity:			
Restricted income funds			
Restricted funds		367,811	367,811
Unrestricted income funds			
Unrestricted funds		136,991	137,645
Total funds	17	504,802	505,456

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

.....
Mr Samsul Haque
Trustee

Rabia Educational Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

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 2022

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 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 2022

2 Income from donations and legacies

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Donations and legacies;			
Donations from individuals	8,357	8,357	29,637
	<u>8,357</u>	<u>8,357</u>	<u>29,637</u>

3 Income from charitable activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £
School	55,348	55,348	74,794

4 Other income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Rental Income	56,800	56,800	64,160
HMRC JRS Grant	-	-	42,811
Other Income	36	36	43
	<u>56,836</u>	<u>56,836</u>	<u>107,014</u>

5 Expenditure on charitable activities

	Activity undertaken directly £	Total 2022 £	Total 2021 £
School	118,197	118,197	201,479
Governance Cost	2,998	2,998	33,344
	<u>121,195</u>	<u>121,195</u>	<u>234,823</u>

Rabia Educational Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

6 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Independent examiner fees			
Examination of the financial statements	2,340	2,340	2,340
Other professional fees	658	658	31,004
	<u>2,998</u>	<u>2,998</u>	<u>33,344</u>

7 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2022 £	2021 £
Depreciation of fixed assets	<u>23,285</u>	<u>23,285</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:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	<u>16,610</u>	<u>124,657</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:

	2022 No	2021 No
Employee No	<u>17</u>	<u>20</u>

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

10 Independent examiner's remuneration

	2022 £	2021 £
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 2022

11 Taxation

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

12 Tangible fixed assets

	Land and buildings £	Plant & Machinery £	Total £
Cost			
At 1 September 2021	1,269,800	56,471	1,326,271
At 31 August 2022	1,269,800	56,471	1,326,271
Depreciation			
At 1 September 2021	246,625	54,756	301,381
Charge for the year	22,856	429	23,285
At 31 August 2022	269,481	55,185	324,666
Net book value			
At 31 August 2022	1,000,319	1,286	1,001,605
At 31 August 2021	1,023,175	1,715	1,024,890

13 Debtors

	2022 £
Trade debtors	14,170

14 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	100	81

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	35,596	38,605
Other creditors	-	2,829
Accruals	4,679	2,703
	40,275	44,137

16 Creditors: amounts falling due after one year

	2022 £	2021 £
Other loans	470,798	475,378

Rabia Educational Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

17 Funds

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Balance at 31 August 2022 £
Unrestricted funds				
Unrestricted general funds	(137,645)	(120,541)	121,195	(136,991)
Restricted funds	<u>(367,811)</u>	<u>-</u>	<u>-</u>	<u>(367,811)</u>
Total funds	<u><u>(505,456)</u></u>	<u><u>(120,541)</u></u>	<u><u>121,195</u></u>	<u><u>(504,802)</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 (2021: £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 (2021: £24,000)

During the year Trustee Z I Khan gave £4,500 (2021: £16,500) qard e hasan.