

Fountains Of Knowledge
Unaudited Financial Statements
31 March 2023

Fountains Of Knowledge

Financial Statements

Year ended 31 March 2023

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Fountains Of Knowledge

Trustees' Annual Report

Year ended 31 March 2023

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2023.

Reference and administrative details

Registered charity name Fountains Of Knowledge

Charity registration number 1096607

Principal office 35 Norfolk Street
Nelson
Lancashire
BB9 7SY

The trustees

Mr I Rashid	
Mr N Yasin	(Appointed 29 March 2023)
Mr I Ashraf	
Mr S Ghani	
Mr S Rana	(Resigned 29 March 2023)
Mr M A Razzaq	

Structure, governance and management

Fountains of Knowledge is a registered UK Charity constituted on 2 January 2003 under charity number 1096607. It is an unincorporated charity. The governing document is a Trust Deed

Objectives and activities

To promote the knowledge of the Islamic faith as portrayed in the authentic sources of Islam.

Fountains Of Knowledge

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Achievements and performance

Background

The primary objective of Fountains of Knowledge is to promote the knowledge of the Islamic faith as portrayed in the authentic sources of Islam which encourages social responsibility, tolerance and inclusion for all. In accordance with these objectives, Fountains of Knowledge has been disseminating information clarifying Islam's position against extremism. The charity has also focused on establishing schools and organising a range of activities to meet the diverse needs of the local community such as: training, youth development, residential trips, visits to the elderly, sports and fitness, counselling, mental health awareness. The charity has developed excellent relations with the local council, schools, police, fire and health services.

In 2007, the charity purchased a disused and dilapidated warehouse and converted it into a primary school which opened in 2010 and went on to obtain the 'Outstanding' grading by Ofsted. In 2015, the charity purchased a second building. After refurbishment and planning permission, it opened 'Edenfield Nursery' on the ground floor of the building in 2018. In addition, the charity started offering weekend tuition in Maths, English and Science. Nelson is considered as a deprived area with many of the local children underperforming in their academic achievements. The tuition centre hopes to aid such children with extra help with their studies.

In 2019 the charity opened 'Edenfield Girls 'High School' on the first floor of the second building. The new school was registered with Ofsted and our first group of year 7 pupils were enrolled. The school also had its first Ofsted inspection and was given a 'Good' grading. The report concluded that: "Leaders have created a positive culture for learning with an expectation that only the best will do. Leaders and staff have high expectations of all pupils". The new school was welcomed by the community as a much-needed service. Also in 2019, The charity purchased a large third building which is adjacent to the nursery/girls' school building. The total size of the complex is approximately 10,000sqm. This is a significant advancement by the charity and a culmination of the combined efforts of the community for two decades.

One of the key achievements for the charity in 2021 has been the establishment of a modern mosque in the new building. 'Masjid Sunnah Nelson' opened its doors to the public in December 2021. The mosque has a modern, elegant design with facilities for men, women and children. Some of the services provided include: 5 daily prayers, Friday sermons in the English language, lectures, conferences, marriage ceremonies, funeral services, soup kitchen, sports club, youth club and much more.

During the 2022-2023 year, the new mosque continued to grow. New security fences, CCTV and solar panels were installed at the building. A food bank was launched in collaboration with FairShare which catered for local community members in need, particularly refugees who had arrived in Nelson. Information about Islam was disseminated to all those visiting the Mosque, including Muslims and Non-Muslims.

In addition, our schools continue to flourish with all classes full with a waiting list.

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Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Financial review

Brief statement of the charity's policy on reserves

The charity works towards keeping a surplus in the range of £50,000 for unforeseen financial circumstances at the end of each year. The charity had a surplus as at 31 March 2023 within this range.

The trustees' annual report was approved on 23 January 2024 and signed on behalf of the board of trustees by:



Mr I Ashraf
Trustee

Fountains Of Knowledge

Independent Examiner's Report to the Trustees of Fountains Of Knowledge

Year ended 31 March 2023

I report to the trustees on my examination of the financial statements of Fountains Of Knowledge ('the charity') for the year ended 31 March 2023.

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 Act').

I report in respect of my examination of the charity's financial statements 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

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 the Association of Chartered Certified Accountants, which is one of the listed bodies.

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 the charity as required by section 130 of the 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 accounts to be reached.

Haroon Latif FCCA
Independent Examiner

21 Hyde Park Road
Leeds
LS6 1PY

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Statement of Financial Activities

Year ended 31 March 2023

		2023		2022
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Donations and legacies	4	795,562	795,562	666,934
Other trading activities	5	11,200	11,200	15,258
Investment income	6	15	15	11
Total income		<u>806,777</u>	<u>806,777</u>	<u>682,203</u>
Expenditure				
Expenditure on raising funds:				
Costs of raising donations and legacies	7	711,575	711,575	580,241
Total expenditure		<u>711,575</u>	<u>711,575</u>	<u>580,241</u>
Net income and net movement in funds		<u>95,202</u>	<u>95,202</u>	<u>101,962</u>
Reconciliation of funds				
Total funds brought forward		907,682	907,682	805,720
Total funds carried forward		<u>1,002,884</u>	<u>1,002,884</u>	<u>907,682</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 7 to 13 form part of these financial statements.

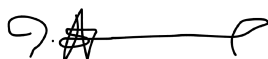
Fountains Of Knowledge

Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	12	1,196,184	1,128,571
Current assets			
Cash at bank and in hand		87,395	144,230
Creditors: amounts falling due within one year	13	280,695	365,119
Net current liabilities		193,300	220,889
Total assets less current liabilities		1,002,884	907,682
Net assets		1,002,884	907,682
Funds of the charity			
Unrestricted funds		1,002,884	907,682
Total charity funds	15	1,002,884	907,682

These financial statements were approved by the board of trustees and authorised for issue on 23 January 2024, and are signed on behalf of the board by:



Mr I Ashraf
Trustee

The notes on pages 7 to 13 form part of these financial statements.

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Notes to the Financial Statements

Year ended 31 March 2023

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 35 Norfolk Street, Nelson, Lancashire, BB9 7SY.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings - 20% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Donations				
Fees	563,672	563,672	414,139	414,139
Donation	231,890	231,890	227,180	227,180
Grants				
Government grant income	—	—	25,615	25,615
	<u>795,562</u>	<u>795,562</u>	<u>666,934</u>	<u>666,934</u>

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

5. Other trading activities

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Rental Income	<u>11,200</u>	<u>11,200</u>	<u>15,258</u>	<u>15,258</u>

6. Investment income

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Bank interest	<u>15</u>	<u>15</u>	<u>11</u>	<u>11</u>

7. Costs of raising donations and legacies

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Resources	72,418	72,418	63,911	63,911
Wages and salaries	509,585	509,585	418,866	418,866
Rates	3,620	3,620	4,527	4,527
Light and heat	38,814	38,814	19,689	19,689
Repairs & maintenance	39,689	39,689	29,771	29,771
Insurance	6,140	6,140	7,286	7,286
Accountancy	1,225	1,225	1,225	1,225
Staff Training	2,247	2,247	1,999	1,999
Depreciation	7,000	7,000	1,863	1,863
Cleaning	3,900	3,900	1,087	1,087
General expenses	4,218	4,218	1,156	1,156
Postage and stationery	2,062	2,062	4,245	4,245
Bank charges	659	659	624	624
Legal and professional fees	6,936	6,936	4,795	4,795
Telephone	2,793	2,793	2,425	2,425
Advertising	<u>10,269</u>	<u>10,269</u>	<u>16,772</u>	<u>16,772</u>
	<u>711,575</u>	<u>711,575</u>	<u>580,241</u>	<u>580,241</u>

8. Net income

Net income is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation of tangible fixed assets	<u>7,000</u>	<u>1,864</u>

9. Independent examination fees

	2023	2022
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	<u>1,225</u>	<u>1,225</u>

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

10. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023	2022
	£	£
Wages and salaries	<u>509,585</u>	<u>418,866</u>

The average head count of employees during the year was 50 (2022: 48).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

11. Trustee remuneration and expenses

No Trustees have received remuneration or had expenses met by the Charity. There are no employees with emoluments above £60,000.

12. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 1 April 2022	1,120,189	19,578	1,139,767
Additions	<u>23,328</u>	<u>51,285</u>	<u>74,613</u>
At 31 March 2023	<u>1,143,517</u>	<u>70,863</u>	<u>1,214,380</u>
Depreciation			
At 1 April 2022	–	11,196	11,196
Charge for the year	<u>–</u>	<u>7,000</u>	<u>7,000</u>
At 31 March 2023	<u>–</u>	<u>18,196</u>	<u>18,196</u>
Carrying amount			
At 31 March 2023	<u>1,143,517</u>	<u>52,667</u>	<u>1,196,184</u>
At 31 March 2022	<u>1,120,189</u>	<u>8,382</u>	<u>1,128,571</u>

13. Creditors: amounts falling due within one year

	2023	2022
	£	£
Accruals and deferred income	69,794	69,211
Social security and other taxes	22,901	17,548
Other creditors	<u>188,000</u>	<u>278,360</u>
	<u>280,695</u>	<u>365,119</u>

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

14. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2023	2022
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>—</u>	<u>25,615</u>

15. Analysis of charitable funds

Unrestricted funds

	At 1 April 2022	Income £	Expenditure £	At 31 March 2023
Unrestricted fund - General funds	<u>907,682</u>	<u>806,777</u>	<u>(711,575)</u>	<u>1,002,884</u>

	At 1 April 2021	Income £	Expenditure £	At 31 March 2022
Unrestricted fund - General funds	<u>805,720</u>	<u>682,203</u>	<u>(580,241)</u>	<u>907,682</u>

16. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2023 £
Tangible fixed assets	1,196,184	1,196,184
Current assets	87,395	87,395
Creditors less than 1 year	(280,695)	(280,695)
Net assets	<u>1,002,884</u>	<u>1,002,884</u>

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	1,128,571	1,128,571
Current assets	144,230	144,230
Creditors less than 1 year	(365,119)	(365,119)
Net assets	<u>907,682</u>	<u>907,682</u>