

Al-Huda Academy Trustees' Annual Report – Year ended 2020

Charity name AL-HUDA ACADEMY
Registered charity number (if any) 1113604

Names of the charity trustees who manage the charity

1. Suleman Lasania 2. Shafwan Ahmed 3. Talha Desai 4. Imran Hajee

STRUCTURE, GOVERNANCE & MANAGEMENT

Type of governing document : Trust deed
How the charity is constituted : Trust
Trustee selection methods : Existing trustees appoint all new trustees

All new trustees as part of their induction receive guidance CC3 'The essential trustee - what you need to know what you, need to do' along with charity commission document 'The essential trustee - Six main duties'.

In addition, all trustees including those who are new undertake safeguarding training and are given a copy of all the relevant policies and procedures.

Majority of the trustees meet on a monthly basis and are responsible for providing strategic leadership and management for the whole charity. In discharging their collective responsibilities, the trustees are responsible for preparing the trustees annual report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards under S44 of the Charity Act 1993 as amended by Charity Act 2006.

The Trustees assess and monitor major risks to which the Charity is exposed, especially around the finances and operations of the Charity, and are satisfied that systems and procedures in place to mitigate the exposure of the charity to major risks.

As part of the risk management process and safeguarding policy all employees and volunteers are DBS cleared. Policies and procedures are communicated to all staff and training is given where applicable. The Academy has both employer liability and public liability insurance in place. Policies and procedures are reviewed annually.

We would like to express our sincere appreciation to all our donors, volunteers & supporters who have been a means of great assistance physically, morally & financially resulting in the activities of the Academy to run smoothly as well as increase steadily. Due to a growing and increasing support for the Academy & it's works this year we managed to repay £109,280.00 (One hundred & nine thousand two hundred & eighty pounds) leaving our outstanding loan at £259,171.00 (Two hundred & fifty nine thousand one hundred & seventy one pounds).

OBJECTIVES, ACTIVITIES AND ACHIEVEMENTS

Summary of the objects of the charity set out in its governing document

The charity provides education/training /religious activities via information, guidance, publications, conferences and teaching to primarily the Muslim young and youth and also the wider community.

- To advance the Islamic religion in accordance with the teachings of the Qur'an and the teachings of the Prophet Muhammad (peace be upon him) and the sahabah-e-keraam (r.a), according to the interpretation and accepted view of the ahlus sunnah wal jamaa-ah and as expounded by the salafus saaliheen (pious predecessors)

- To further Islamic education including the teaching of the Urdu and Arabic language.
- To help educate young Muslims so as to develop their spiritual, moral, ethical, physical and mental capacities, that they may grow to full maturity as individuals, hence make a positive contribution to the society.
- To assist in the provision of any charitable services within the limits of the law.

SUMMARY OF THE MAIN ACTIVITIES UNDERTAKEN FOR THE PUBLIC BENEFIT IN RELATION TO THESE OBJECTS

Full-Time Boarding Seminary

This caters for male students over the age of 16. The seminary provides higher Islamic education for students wishing to become scholars (Ulama) and/or memorise the Holy Qur'an. Students' spiritual and moral development is an integral part of the course, with the aim that students upon graduation can serve the Muslim and wider community in their local town and region.

Evening Madrasah/Supplementary School

The evening Madrasah caters for children (boys) aged 9 to 19 who wish to memorise the Holy Qur'an. Due to the increase in demand, we increased to 6 classes. Side by side with student's memorisation they are taught Aqeedah, Seerah, Fiqh & Akhlaaq (Good Character) etc. We have 12 students who have completed their memorisation but due to Covid-19 lockdown could not keep a graduation ceremony. We are hoping by 2021 we will have above 20 students ready to complete their Hifdh and we are hoping to keep their graduation in 2022.

Ramadhan Taraweeh Provision

Many Masajid for the month of Ramadhan are in need of Huffaz (Those who have memorised the Qur'an) to recite Taraweeh. Alhamdulillah the Academy provides this facility and sends students to fulfil this duty. The Academy's students have travelled as far as Scotland.

Literature in the English Language

The Academy publishes a free quarterly magazine in the English language, which is distributed in key towns in the Northwest of England. The quarterly magazine along with leaflets (also in the English language) cover topics which are pertinent to the audience, primarily Muslim youth but also parents.

Summer Holiday Youth Club

Recreational facilities from boxing, table tennis, snooker, pool, treadmills, circuit training, archery etc. are provided to keep the young active in a safe, fun and supervised environment. Al-Huda Academy occasionally holds recreational/educational trips to the lake district.

Weekly Discourse of the Holy Qur'an

The Academy provides a weekly discourse in the English language at the local Mosque on Randal Street. The weekly discourse has been running for over 11 years now. The aim of the discourse is to enable the audience to understand the authentic messages within the Holy Qur'an and its application to their daily lives.

Al-Huda Primary School including Little Gems Foundation Unit

The School and Nursery were established with the aim of developing children's intellectual, moral, spiritual, and aesthetic potential in an Islamic environment, leading the development of life skills and interests, to become good Muslim citizens and contributing members of the society. The impact of the positive Ofsted report has resulted in families moving from different towns to enrol their children at the setting. We have families who have moved from as far as Scotland, London, Bury, Leigh, Saudi Arabia, Huddersfield, Bristol. We have a waiting list of above 15 children but unfortunately lack of space.

Zakah, Sadaqah (Charitable giving) & Relief Effort

The Academy continues to support numerous relief projects for the benefit of all communities. It is the duty of every Muslim to assist those in need, regardless of their faith. Due to Covid-19 many people suffered

throughout the world. Funds raised were distributed towards projects, such as building homes, supporting the orphans, widows, women education empowerment projects, building hand pumps for supply of clean water, provision of food packs, cataract operations including income generating projects.

Refurbishment Plans

The refurbishment programme of the student accommodation planned from 2018, was carried out during 2019 and has been completed during 2020. The only remaining refurbishment programme that remains is that of the Wudhu Khana, this is scheduled to take place during 2022.

AL-HUDA ACADEMY

FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 DECEMBER 2020

CHARITY NUMBER: 1113604

**ABBAY & CO ASSOCIATES
1ST FLOOR ABBAY HOUSE
270-272 LEVER STREET
BOLTON
BL3 6PD**

AL-HUDA ACADEMY

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FOR THE YEAR ENDING 31 DECEMBER 2020

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AL-HUDA ACADEMY

CHARITY INFORMATION

FOR THE YEAR ENDING 31 DECEMBER 2020

Trustees

Suleman Lasania
Shafwan Ahmed
Hanif Mangera (Resigned on 12/06/21)
Talha Desai
Imran Hajee

Charity Chairman

Shafwan Ahmed

Charity Secretary

Talha Desai

Registered Office

Al-Huda Academy (Former Lilian Hamer House)
Deane Road
Bolton
BL3 5NR

Bankers

Lloyds TSB Bank
Hotel Street
Bolton
BL1 1DB

Accountants

Abbey & Co Associates
1st Floor, Abbey House
270-272 Lever Street
Bolton
BL3 6PD

AL-HUDA ACADEMY

INDEPENDENT EXAMINERS' REPORT YEAR ENDED 31 DECEMBER 2020

TO THE TRUSTEES AND MEMBERS OF AL-HUDA ACADEMY

I have examined the financial statements for the year ended 31 December 2020 as set out on the annexed pages which have been prepared under the historical cost convention and the accounting policies set out below:

Respective responsibilities of the Trustees and Independent Examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Financial Accountants (IFA).

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for an independent examination; it is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act 2011, and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission.

An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records.

It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters.

The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with our examination, no matter has come to my attention:

1. Which gives us reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act 2011; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act 2011 have not been met; or

2. To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Honorary Independent Examiner

**Faruk Patel FFA FTA
Abbey & Co Associates
1st Floor, Abbey House
270-272 Lever Street
Bolton
BL3 6PD**

24th September 2021

AL-HUDA ACADEMY

FOR THE YEAR ENDING 31 DECEMBER 2020

STATEMENT OF TRUSTEES RESPONSIBILITIES

Charity Law requires the Trustees to prepare financial statements and statements of assets and liabilities for each financial year which give a true and fair view of the state of affairs of the charity and of its financial activities for that period together with its assets and liabilities at the end of the period and adequately distinguish any material special trust or other restricted fund of the charity. In preparing those financial statements the trustees are required to:

- (a) Select suitable accounting policies and then apply them consistently
- (b) make judgements and estimates that are reasonable and prudent
- (c) state whether the policies adopted are in accordance with the appropriate SORP on Accounting by Charities and the Accounting Regulations and with applicable standards subject to any material departures disclosed and explained in the financial statements
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue its activities

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with applicable Accounting Standards and Statements of Recommended Practice and the regulation made under S44 of the Charity Act 1993 as amended by Charity Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention of fraud or other irregularities.

Approved by the Trustees and signed on their behalf by:

Talha Desai (Charity Secretary)

24th September 2021

AL-HUDA ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDING 31 DECEMBER 2020

		Unrestricted Funds £	Restricted Funds £	Totals 2020 £	Totals 2019 £
INCOME					
<u>Voluntary Income</u>	Donations	74,486	-	74,486	78,730
	Building Appeal	-	-	-	-
	Government Grants	142,366	-	142,366	-
	Government Grants (JRS)	30,086	-	30,086	148,562
<u>Investment Income</u>		4,800	-	4,800	4,800
<u>Income from Charities Activities</u>					
Other Income		17,262	-	17,262	13,702
Lillah/Sadaka & Other Donations		51,041	44,871	95,912	-
Zakat Donations		-	83,097	83,097	5,894
Gift Aid Payments		44,665	-	44,665	11,461
Madressa Fees		87,251	-	87,251	72,224
Student Fees		70,789	-	70,789	78,975
Transport Fees		5,328	-	5,328	8,222
TOTAL INCOME		528,074	127,968	656,042	422,570
RESOURCES EXPENDED					
Cost of Generating Funds		-	-	-	-
Charitable Activities		404,357	127,968	532,325	383,807
NET INCOMING RESOURCES		123,717	-	123,717	38,763
Fund Balances Brought Forward		690,207	-	690,207	651,444
FUND BALANCES CARRIED FORWARD		813,924	-	813,924	690,207

Continuing Operations

None of the charities activities were acquired or discontinued during the above financial period.

Total Recognised Gains and Losses

The charity has no gains or losses other than the profit or loss for the above financial period.

AL-HUDA ACADEMY

BALANCE SHEET AS AT 31 DECEMBER 2020

	<u>NOTES</u>	£	<u>2020</u> £	£	<u>2019</u> £
FIXED ASSETS					
As per Fixed Asset Schedule	4		1,058,222		1,050,651
CURRENT ASSETS					
Debtors & Prepayments	5	5,988		-	
Cash at Bank		21,077		8,921	
Cash in Hand		2,760		129	
		<u>29,825</u>		<u>9,050</u>	
CURRENT LIABILITIES					
Bank Overdraft		-		-	
Accruals & Creditors	6	14,952		1,043	
Other Creditors & Loans		-		-	
		<u>14,952</u>		<u>1,043</u>	
Net Current Assets / (Liabilities)			<u>14,873</u>		<u>8,007</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,073,095		1,058,658
LONG-TERM CREDITORS					
Creditors due after one year	7		259,171		368,451
NET ASSETS			<u>813,924</u>		<u>690,207</u>
REPRESENTED BY:					
ACCUMULATED FUNDS					
Net Assets B/fwd 01/01/2020			690,207		651,444
Surplus for the Year			<u>123,717</u>		<u>38,763</u>
Net Assets C/fwd 31/12/2020			<u>813,924</u>		<u>690,207</u>

Approved by the Trustees and signed on their behalf by:

Talha Desai (Charity Secretary)

24th September 2021

AL-HUDA ACADEMY

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDING 31 DECEMBER 2020

1. Accounting Policies

- | | |
|----------------------------------|---|
| (a) Basis of Preparation | These financial statements have been prepared under historical cost convention and in accordance with applicable accounting standards. The financial statements have been prepared in accordance with the statement of recommended practice (SORP) and accounting and reporting by charities' published in October 2005. |
| (b) Fund Accounting | <p>General funds are unrestricted funds which are available for the use of discretion of the Trustees in furtherance of the general objectives of the charity and has not been put aside for other purposes.</p> <p>Restricted Funds are funds which are to be used in accordance with specific restrictions which has been raised by the charity for a specific purpose. The cost of raising and administering such funds are charged against the specific fund.</p> |
| (c) Investment Income | Income from investment and from rental income is included in the SORP in the year in which it is receivable. |
| (d) Incoming Resources | All incoming resources are included in the SORP when the charity is legally entitled to the income and the amount can be can quantified with reasonable accuracy. Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. For legacies, entitlement is the earlier of the charity been notified of and impending distribution of the legacy being received. Donated facilities are included at the value to the charity when this can be quantified and a third party is bearing the cost. |
| (e) Resources Expended | All expenditure is accounted for on an accruals basis and has been classified under the heading that aggregate all costs relating to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on the basis consistent with use of resources. |
| (f) Tangible Fixed Assets | Tangible fixed assets costing more than £ 1000 are capitalised and included at cost including incidental expenses of acquisitions. |

AL-HUDA ACADEMY

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDING 31 DECEMBER 2020

(g) Depreciation Depreciation is calculated on all tangible fixed assets on straight line basis at rates calculated on the cost of the asset over the useful economic life of the asset as follows:

Freehold Land	0%
Freehold Building	0%
Motor Vehicles	20%
Fixtures & Equipment	10%

(h) Investment Revaluation None of the charity's functional fixed assets have been revalued during the year.

2. Cost of Charitable Activities

	2020 Unrestricted	2020 Restricted	2019
Wages, PAYE & Pension Costs	269,010	-	250,129
Rent, Rates & Insurance	12,738	-	13,552
Heat & Light	16,402	-	18,260
Repairs & Renewals	8,827	-	15,255
Assets & Equipment Rental Costs	1,688	-	684
Activities Costs	19,604	-	28,825
Advertising	4,978	-	115
Telephone	2,099	-	2,631
Resources	31,566	-	14,768
Licenses & Training Costs	8,173	-	7,578
Professional Fees	1,216	-	680
Primary & Madressah Fees Refunded	970	-	-
Motor & Travelling Costs	9,333	-	11,171
Bank Charges	60	-	25
Zakat Donations	-	83,097	5,894
Lillah/Sadaka & Other Donations	5,127	44,871	-
Cleaning & Sundries	5,365	-	8,516
Loss on Disposal of Investments	-	-	-
Depreciation	7,201	-	5,724
	<u>404,357</u>	<u>127,968</u>	<u>383,807</u>

3. Trustees' - Related Party Transaction

Included in Wages, PAYE & Pension Costs (See Note 2 above), the following payments to the trustees listed below were made for teaching services rendered to the charity.

	2020	2019
Shafwan Ahmed	3,351	3,165
Talha Desai	-	-
Imran Hajee	8,580	8,724
	<u>11,931</u>	<u>11,889</u>

AL-HUDA ACADEMY

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDING 31 DECEMBER 2020

4. Tangible Fixed Assets

	Total	Land & Property	Investments	Motor Vehicles	Fixtures & Equipment
	£			£	£
Cost					
As at 1 January 2020	1,089,079	957,110	68,700	6,000	57,269
Additions	14,772	-	-	-	14,772
Disposals	-	-	-	-	-
As at 31 December 2020	<u>1,103,851</u>	<u>957,110</u>	<u>68,700</u>	<u>6,000</u>	<u>72,041</u>
Depreciation					
As at 1 January 2020	38,428	-	-	6,000	32,428
Charge for year	7,201	-	-	-	7,201
Disposals	-	-	-	-	-
As at 31 December 2020	<u>45,629</u>	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>39,629</u>
Net book value					
As at 31 December 2020	<u>1,058,222</u>	<u>957,110</u>	<u>68,700</u>	<u>-</u>	<u>32,412</u>
As at 31 December 2019	<u>1,050,651</u>	<u>957,110</u>	<u>68,700</u>	<u>-</u>	<u>24,841</u>

5. Debtors & Prepayments

	2020	2019
Gift Aid Payments	-	-
Prepayments	<u>5,988</u>	<u>-</u>
	<u>5,988</u>	<u>-</u>

6. Creditors: Amounts falling due within one year

	2020	2019
Trade Creditors	-	-
Accruals	409	1,043
Other Creditors	<u>14,543</u>	<u>-</u>
	<u>14,952</u>	<u>1,043</u>

7. Creditors: Amounts falling due after one year

	2020	2019
Loans	<u>259,171</u>	<u>368,451</u>

AL-HUDA ACADEMY

INDEPENDENT EXAMINERS' REPORT YEAR ENDED 31 DECEMBER 2020

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Honorary Independent Examiner

**Faruk Patel FFA FTA
Abbey & Co Associates
1st Floor, Abbey House
270-272 Lever Street
Bolton
BL3 6PD**

24th September 2021