

AL-HUDA ACADEMY

FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 DECEMBER 2021

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 2021

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AL-HUDA ACADEMY

CHARITY INFORMATION

FOR THE YEAR ENDING 31 DECEMBER 2021

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 2021 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

30th September 2022

AL-HUDA ACADEMY

FOR THE YEAR ENDING 31 DECEMBER 2021

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)

30th September 2022

AL-HUDA ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDING 31 DECEMBER 2021

		Unrestricted Funds £	Restricted Funds £	Totals 2021 £	Totals 2020 £
INCOME					
<u>Voluntary Income</u>	Donations	78,392	-	78,392	74,486
	Building Appeal	-	-	-	-
	Government Grants	136,718	-	136,718	142,366
	Government Grants (JRS)	6,398	-	6,398	30,086
<u>Investment Income</u>		4,750	-	4,750	4,800
<u>Income from Charities Activities</u>					
	Other Income	3,550	-	3,550	17,262
	Lillah/Sadaka & Other Donations	7,070	17,957	25,027	95,912
	Zakat Donations	-	2,238	2,238	83,097
	Gift Aid Payments	16,352	-	16,352	44,665
	Madressa Fees	82,311	-	82,311	87,251
	Student Fees	87,236	-	87,236	70,789
	Transport Fees	7,734	-	7,734	5,328
TOTAL INCOME		430,511	20,195	450,706	656,042
RESOURCES EXPENDED					
	Cost of Generating Funds	-	-	-	-
	Charitable Activities	426,504	20,195	446,699	532,325
NET INCOMING RESOURCES		4,007	-	4,007	123,717
	Fund Balances Brought Forward	813,924	-	813,924	690,207
FUND BALANCES CARRIED FORWARD		817,931	-	817,931	813,924

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 2021

	<u>NOTES</u>	£	<u>2021</u> £	£	<u>2020</u> £
FIXED ASSETS					
As per Fixed Asset Schedule	4		1,059,628		1,058,222
CURRENT ASSETS					
Debtors & Prepayments	5	12,184		5,988	
Cash at Bank		2,318		21,077	
Cash in Hand		4,358		2,760	
		<u>18,860</u>		<u>29,825</u>	
CURRENT LIABILITIES					
Bank Overdraft		-		-	
Accruals & Creditors	6	2,386		14,952	
Other Creditors & Loans		-		-	
		<u>2,386</u>		<u>14,952</u>	
Net Current Assets / (Liabilities)			<u>16,474</u>		<u>14,873</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,076,102		1,073,095
LONG-TERM CREDITORS					
Creditors due after one year	7		258,171		259,171
NET ASSETS			<u><u>817,931</u></u>		<u><u>813,924</u></u>
REPRESENTED BY:					
ACCUMULATED FUNDS					
Net Assets B/fwd 01/01/2021			813,924		690,207
Surplus for the Year			<u>4,007</u>		<u>123,717</u>
Net Assets C/fwd 31/12/2021			<u><u>817,931</u></u>		<u><u>813,924</u></u>

Approved by the Trustees and signed on their behalf by:



Talha Desai (Charity Secretary)

30th September 2022

AL-HUDA ACADEMY

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDING 31 DECEMBER 2021

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** 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.
- 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.
- (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 2021

(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

	2021 Unrestricted	2021 Restricted	2020
Wages, PAYE & Pension Costs	282,599	-	269,010
Rent, Rates & Insurance	12,089	-	12,738
Heat & Light	18,563	-	16,402
Repairs & Renewals	40,110	-	8,827
Assets & Equipment Rental Costs	948	-	1,688
Activities Costs	9,055	-	19,604
Advertising	-	-	4,978
Telephone	1,728	-	2,099
Resources	28,009	-	31,566
Licenses & Training Costs	6,366	-	8,173
Professional Fees	552	-	1,216
Primary & Madressah Fees Refunded	-	-	970
Motor & Travelling Costs	11,633	-	9,333
Bank Charges	15	-	60
Zakat Donations	-	2,238	83,097
Lillah/Sadaka & Other Donations	240	17,957	49,998
Cleaning & Sundries	6,440	-	5,365
Loss on Disposal of Investments	-	-	-
Depreciation	8,157	-	8,157
	<u>426,504</u>	<u>20,195</u>	<u>533,281</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.

	2021	2020
Shafwan Ahmed	3,447	3,351
Talha Desai	-	-
Imran Hajee	6,592	8,580
	<u>10,039</u>	<u>11,931</u>

AL-HUDA ACADEMY

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDING 31 DECEMBER 2021

4. Tangible Fixed Assets

	Total	Land & Property	Investments	Motor Vehicles	Fixtures & Equipment
	£			£	£
Cost					
As at 1 January 2021	1,103,851	957,110	68,700	6,000	72,041
Additions	9,563	-	-	-	9,563
Disposals	-	-	-	-	-
As at 31 December 2021	<u>1,113,414</u>	<u>957,110</u>	<u>68,700</u>	<u>6,000</u>	<u>81,604</u>
Depreciation					
As at 1 January 2021	45,629	-	-	6,000	39,629
Charge for year	8,157	-	-	-	8,157
Disposals	-	-	-	-	-
As at 31 December 2021	<u>53,786</u>	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>47,786</u>
Net book value					
As at 31 December 2021	<u>1,059,628</u>	<u>957,110</u>	<u>68,700</u>	<u>-</u>	<u>33,818</u>
As at 31 December 2020	<u>1,058,222</u>	<u>957,110</u>	<u>68,700</u>	<u>-</u>	<u>32,412</u>

5. Debtors & Prepayments

	2021	2020
Gift Aid Payments	-	-
Prepayments	<u>12,184</u>	<u>5,988</u>
	<u>12,184</u>	<u>5,988</u>

6. Creditors: Amounts falling due within one year

	2021	2020
Trade Creditors	-	-
Accruals	2,386	409
Other Creditors	<u>-</u>	<u>14,543</u>
	<u>2,386</u>	<u>14,952</u>

7. Creditors: Amounts falling due after one year

	2021	2020
Loans (Karz-e-Hasna)	<u>258,171</u>	<u>259,171</u>

Al-Huda Academy Trustees' Annual Report – Year ended 2021

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 including FRS 102.

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.

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. 3 students who graduated are now rendering services at Al-Huda and one of them has become a local Imam.

Evening Madrasah/Supplementary School

The evening Madrasah caters for children (boys) aged 9 to 19 who wish to memorise the Holy Qur'an. We have 6 classes. Side by side with student's memorisation they are taught Aqeedah, Seerah, Fiqh & Akhlaaq (Good Character) etc.

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 Ireland.

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.

Ongoing & Future Plans

The refurbishment programme of the student accommodation including exterior has been ongoing. Painting, decoration of rooms including new beds, new student kitchen downstairs, provision of ablution facilities upstairs has been completed. Outside entire roof new fascia boards & drainage was fitted. Downstairs ablution facilities and Primary School extension (for which planning permission has been granted) remain outstanding.