

REGISTERED CHARITY NUMBER: 1121942

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2020
FOR
AL-ISLAMIA INSTITUTE FOR EDUCATION**

Watergates Ltd
109 Coleman Road
Leicester
LE5 4LE

AL-ISLAMIA INSTITUTE FOR EDUCATION
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FOR THE YEAR ENDED 31ST AUGUST 2020

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AL-ISLAMIA INSTITUTE FOR EDUCATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST AUGUST 2020

Al-Islamia Institute for Education Trust presents its Annual Accounts and Trustee Report for the Academic Year 2019/20.

One of the Trustees left office in November 2020 and the Trust remained with the minimum quota of 3 Trustees. A further two members volunteered their services and time to help the Trust.

Through the grace and mercy of the Almighty, Al-Islamia continued its effort to provide good quality education in a supporting environment. Yet, this academic year, whilst very challenging also turned out to be a progressive one too.

INTRODUCTION:

The rise in application and pupil entry into the preschool (Foundation 1 & 2) and for the primary sector in this academic year continued with an upward trend. The school remained a popular choice as parents choose to keep their children enrolled for this coming term too.

OFSTED:

In November 2019 we had an Ofsted inspection for the primary. Our previous inspection was in 2016. The new curriculum and regulations had come into effect just two months prior, (September 2019) and the inspection was very challenging. The overall judgement was Inadequate. We formally complained due to certain aspects relating to the integrity and conduct of the inspectors. The process took some time and the report was finally issued in February 2020.

NEW PREMISES:

February 2020, a former grammar school site converted to council offices, located close to the current school premises, came on the market. The full site had a number of buildings and was split into two separate entities to be separately auctioned off on 12th February 2020 with a guide price of £925,000 to £950,000 each. The present owners were the Leicester City Council and the full site was within a walled area with a shared access.

After extensive consultation with stakeholders, it was agreed that one of the more suitable of the two entities should be bid for. An initial deposit of £110,000.00 was quickly raised via interest free loans and donations. We were successful in the auction with a final bid of £925,000.00. The other entity remained unsold. After the 10% deposit payment, the remaining amount, including additional costs, totalling £859,053.90 was due by 27th March 2020. By the grace of Allah, we were able to secure the remaining amount by the due date primarily through interest free loans and some donations.

Due to the first national lockdown in March 2020, the seller, (City Council) put back the completion date until the COVID restrictions eased a little. At the beginning of May, the council set the completion date for May 15th 2020. The purchase was formerly completed on May 15th 2020, and Al-Islamia officially became the new owners of Collegiate House. The completed purchase price, including legal costs and expenses, was £952,753.90

The site, very close to the present site, consists of a 3-storey main building with basement, A 2-storey annex, portacabin and space for a playground and parking. The combined gross internal floor area is 1,400 sqm.

This purchase will enable the school to accommodate the expansion that it is experiencing year on year for the past few years. The plans will be to prepare the new building to accommodate the full Pre-school and Primary and primarily provide initial provisions to start up a secondary. Once completed, the old site will be sold off to offset a considerable amount of the purchase loan.

COVID-19:

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TRUSTEES' REPORT FOR THE YEAR ENDED 31ST AUGUST 2020

March 2020 saw the first national lockdown. Due to it being an unprecedented event, the school suspended all services; the primary staff were placed on furlough and school fees were suspended to the end of the academic year (August 2020). Parents were provided with extensive online links on the school website to help children at home with schooling and consolidating their learning.

ACHIEVEMENTS AND PERFORMANCE:

The curriculum was reviewed and a long-term map meeting the new Ofsted requirements was rolled out in September 2019. After the inspection in November 2019, during which Science and Maths were recognised as strong areas of learning and progress, other content was reviewed against the Ofsted action points, and further changes were made to the schemes of work and unit contents. This included more detail in Medium-Term Plans, and a view to taking out subscriptions with quality-assured subject associations such as the Historical Association; the PSHE Association and LiteracyShed+.

We recognise that PSHE was an area of improvement and made plans to review the scheme and provision, and ensure that a scheme of work was planned that met the DfE's Relationship Education Framework.

Despite the critique of the Ofsted inspection, attainment continued with an upward trajectory, with over 80% of the children meeting reading fluency goals by Spring 2020. Unfortunately, with the onset of COVID, and the subsequent lockdown and school closure, we were unable to follow through with progress and attainment tracking for the summer term 2020. However, we compared Maths, Writing and Reading data for Spring data for 2018 and 2019, as follows:

Subject Spring	Maths		Reading Comprehension		Writing	
	2019	2020	2019	2020	2019	2020
% at Age related Expectations or above	22%	41%	7%	64%	20%	60%
% at Greater Depth	0%	30%	0%	30%	0%	28%

The table above highlights that we have been making considerable progress in core subject areas, across the school, and that the upward trajectory of improvement is strong and continuous.

During the furlough period, SLT continued to work on curriculum areas, including reviewing and mapping curriculum needs for the 2020/2021 year, keeping in mind the gaps and effects on learning and mental health that has resulted from the long-term lockdown.

RESOURCES and ADDITIONS:

Decodable Books - following an audit with the Little Sutton English Hub in June 2020, we receive a grant of £1300.00, match funding, to purchase decodable books for our EYFS and KS1 classes to support their phonics and reading fluency. These books were ordered and purchased in August 2020, at a total cost of approximately £3100.00, and the match funded grant of £1300.00 was sent through in March 2020.

In addition, a number of miscellaneous smaller resources were regularly purchased throughout the year in both the sectors.

GENERAL ACTIVITY:

Both the sectors carried out all the usual educational trips and outings up to the lockdown. Activities for Spring/Summer were all suspended.

GENERAL MAINTENANCE:

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TRUSTEES' REPORT FOR THE YEAR ENDED 31ST AUGUST 2020

Due to the national lockdown no significant maintenance work was carried out on the Evington Street site. Collegiate House was assessed and it was decided painting the first and second floor of the main building would be a good start and give the place a fresh look. In addition, meetings with an architect was arranged and an application for change of Zoning from office to education and community services would be submitted.

FINANCIAL REVIEW

The financial review is twofold:

1. Despite the fee suspension due to Covid-19, the school was still able to financially remain stable partially due to the government furlough scheme and the discretionary Covid grant by the local authority. This financial support will allow the trust to keep the school operating once the restrictions are lifted

2. The total purchase price of the new premises came to £952,753.90. Donations and interest free loans were acquired to make the initial payment on completion. The total debt remaining on the school at the end of this financial year comes to £969,636.00.

FUTURE PLANS

With the purchase of the new site the following will be prioritised.

1. The planning application for the change of zoning from offices to educational and community activity purpose.
2. To organise and set up methods to fund raise to repay as soon as possible the loan taken for the purchase of the new site.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Al-Islamia Institute for Education is a registered UK Charity and is governed by its Trust Deed dated 20 September 2006.

It is an unincorporated charity and it was registered with Charity Commission of England and Wales on 11 December 2006 under charity number 1121942.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1121942

Principal address

Al-Islamia Institute for Education
5-7 Evington Street
Leicester
LE2 0SA

Trustees

Mr Zubair Kola
Mr Ahmed Ebrahim Dadibhai
Mr Haroon Mahmood Makda
Mr Hafiz Mohammed Sadiq Badat (resigned 24/11/2019)

Independent Examiner

Watergates Ltd
109 Coleman Road
Leicester
LE5 4LE

AL-ISLAMIA INSTITUTE FOR EDUCATION

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST AUGUST 2020**

Approved by order of the board of trustees on 24th June 2021 and signed on its behalf by:



Mr Zubair Kola - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
AL-ISLAMIA INSTITUTE FOR EDUCATION**

Independent examiner's report to the trustees of Al-Islamia Institute for Education

I report to the charity trustees on my examination of the accounts of Al-Islamia Institute for Education (the Trust) for the year ended 31st August 2020.

Responsibilities and basis of report

As the charity trustees of the 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 Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ACCA 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 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 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.



Nazir Malida FCCA
ACCA
Watergates Ltd
109 Coleman Road
Leicester
LE5 4LE

Date: 24 June 2021

AL-ISLAMIA INSTITUTE FOR EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2020

	Notes	Unrestricted fund £	Restricted fund £	31/8/20 Total funds £	31/8/19 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		48,199	-	48,199	1,237
Charitable activities					
Educational services		370,957	-	370,957	346,892
Investment income	2	34	-	34	10
Total		419,190	-	419,190	348,139
EXPENDITURE ON					
Charitable activities					
Educational services		356,792	-	356,792	337,519
NET INCOME		62,398	-	62,398	10,620
RECONCILIATION OF FUNDS					
Total funds brought forward		199,743	-	199,743	189,123
TOTAL FUNDS CARRIED FORWARD		262,141	-	262,141	199,743

The notes on page 0 form part of these financial statements

AL-ISLAMIA INSTITUTE FOR EDUCATION

STATEMENT OF FINANCIAL POSITION
31ST AUGUST 2020

	Notes	Unrestricted fund £	Restricted fund £	31/8/20 Total funds £	31/8/19 Total funds £
FIXED ASSETS					
Tangible assets	6	1,183,148	-	1,183,148	259,194
CURRENT ASSETS					
Debtors	7	27,505	-	27,505	14,250
Cash at bank and in hand		93,400	-	93,400	54,029
		<u>120,905</u>	<u>-</u>	<u>120,905</u>	<u>68,279</u>
CREDITORS					
Amounts falling due within one year	8	(72,276)	-	(72,276)	(79,845)
NET CURRENT ASSETS		<u>48,629</u>	<u>-</u>	<u>48,629</u>	<u>(11,566)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,231,777</u>	<u>-</u>	<u>1,231,777</u>	<u>247,628</u>
CREDITORS					
Amounts falling due after more than one year	9	(969,636)	-	(969,636)	(47,885)
NET ASSETS		<u>262,141</u>	<u>-</u>	<u>262,141</u>	<u>199,743</u>
FUNDS	12				
Unrestricted funds				262,141	199,743
TOTAL FUNDS				<u>262,141</u>	<u>199,743</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 24th June 2021 and were signed on its behalf by:



Mr Zubair Kola - Trustee

The notes on page 0 form part of these financial statements

AL-ISLAMIA INSTITUTE FOR EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2020

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Equipment	- 20% on cost

TAXATION

The charity is exempt from tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

AL-ISLAMIA INSTITUTE FOR EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020**

2. INVESTMENT INCOME

	31/8/20	31/8/19
	£	£
IBB profit	34	10
	<u>34</u>	<u>10</u>

3. TRUSTEES' REMUNERATION AND BENEFITS

Included in the wages costs is £17,401 (2019 - £16,593) which relates to wages paid to Mr Z Kola a Trustee, for his services as a full time Head Teacher together with other related services.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31st August 2020 nor for the year ended 31st August 2019.

4. STAFF COSTS

The average monthly number of employees during the year was as follows:

	31/8/20	31/8/19
Teaching staff	30	32
Auxiliary staff	1	1
Administrative staff	1	1
	<u>32</u>	<u>34</u>

No employees received emoluments in excess of £60,000.

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,237	-	1,237
Charitable activities			
Educational services	346,892	-	346,892
Investment income	10	-	10
Total	<u>348,139</u>	<u>-</u>	<u>348,139</u>
EXPENDITURE ON			
Charitable activities			
Educational services	337,519	-	337,519
NET INCOME	<u>10,620</u>	<u>-</u>	<u>10,620</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020**

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued			
	Unrestricted fund £	Restricted fund £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	189,123	-	189,123
TOTAL FUNDS CARRIED FORWARD	<u>199,743</u>	<u>-</u>	<u>199,743</u>
6. TANGIBLE FIXED ASSETS			
	Freehold property £	Equipment £	Totals £
COST			
At 1st September 2019	307,049	30,107	337,156
Additions	952,753	-	952,753
At 31st August 2020	<u>1,259,802</u>	<u>30,107</u>	<u>1,289,909</u>
DEPRECIATION			
At 1st September 2019	58,702	19,260	77,962
Charge for year	25,196	3,603	28,799
At 31st August 2020	<u>83,898</u>	<u>22,863</u>	<u>106,761</u>
NET BOOK VALUE			
At 31st August 2020	<u>1,175,904</u>	<u>7,244</u>	<u>1,183,148</u>
At 31st August 2019	<u>248,347</u>	<u>10,847</u>	<u>259,194</u>
7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	31/8/20 £	31/8/19 £	
Trade debtors	15,548	13,115	
Prepayments	11,957	1,135	
	<u>27,505</u>	<u>14,250</u>	

AL-ISLAMIA INSTITUTE FOR EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020**

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/20	31/8/19
	£	£
Trade creditors	3,432	2,619
Taxation and social security	(4,685)	(7,230)
Other creditors	73,529	84,456
	<u>72,276</u>	<u>79,845</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/8/20	31/8/19
	£	£
Other creditors	969,636	47,885
	<u>969,636</u>	<u>47,885</u>

10. LOANS

An analysis of the maturity of loans is given below:

	31/8/20	31/8/19
	£	£
Amounts falling between one and two years:		
Other loans - 1-2 years	969,636	47,885
	<u>969,636</u>	<u>47,885</u>

11. SECURED DEBTS

The following secured debts are included within creditors:

	31/8/20	31/8/19
	£	£
Loan	700,000	-
	<u>700,000</u>	<u>-</u>

The loan is secured by way of a legal first charge over Freehold properties known as 5-7 Evington Street, Leicester and Collegiate House, College Street, Leicester.

AL-ISLAMIA INSTITUTE FOR EDUCATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

12. MOVEMENT IN FUNDS

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	199,743	62,398	262,141
TOTAL FUNDS	<u>199,743</u>	<u>62,398</u>	<u>262,141</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	419,190	(356,792)	62,398
TOTAL FUNDS	<u>419,190</u>	<u>(356,792)</u>	<u>62,398</u>

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
General fund	189,123	10,620	199,743
TOTAL FUNDS	<u>189,123</u>	<u>10,620</u>	<u>199,743</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	348,139	(337,519)	10,620
TOTAL FUNDS	<u>348,139</u>	<u>(337,519)</u>	<u>10,620</u>

AL-ISLAMIA INSTITUTE FOR EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020**

12. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.18 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	189,123	73,018	262,141
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>189,123</u>	<u>73,018</u>	<u>262,141</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	767,329	(694,311)	73,018
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>767,329</u>	<u>(694,311)</u>	<u>73,018</u>

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st August 2020.

AL-ISLAMIA INSTITUTE FOR EDUCATION

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2020**

	31/8/20 £	31/8/19 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	48,199	1,237
Investment income		
IBB profit	34	10
Charitable activities		
Sale of goods/services as part of charitable activities	2,500	2,100
School fees	312,689	344,792
Grants	55,768	-
	<u>370,957</u>	<u>346,892</u>
Total incoming resources	419,190	348,139
EXPENDITURE		
Charitable activities		
Wages	278,544	268,203
Pensions	3,212	2,937
Rates and water	2,374	2,406
Insurance	599	598
Light and heat	5,157	5,501
Telephone	929	933
Postage and stationery	2,643	1,458
Repairs and maintenance	2,046	8,361
Books and resources	18,859	20,432
Student activity	99	3,217
Subscriptions	2,067	2,938
Training	1,478	681
Cleaning	6,404	5,199
Depreciation of property	25,196	6,141
Depreciation of equipment	3,603	4,748
	<u>353,210</u>	<u>333,753</u>
Support costs		
Finance		
Sundries	367	1,041
Carried forward	367	1,041

This page does not form part of the statutory financial statements

AL-ISLAMIA INSTITUTE FOR EDUCATION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2020

	31/8/20 £	31/8/19 £
Finance		
Brought forward	367	1,041
Bank charges	15	-
	<u>382</u>	<u>1,041</u>
Governance costs		
Accountancy and legal fees	3,200	2,725
Total resources expended	<u>356,792</u>	<u>337,519</u>
Net income	<u>62,398</u>	<u>10,620</u>

This page does not form part of the statutory financial statements