

Charity registration number: 1125653

Safar Academy Trust

Annual Report and Financial Statements

for the Year Ended 31 August 2020

Safar Academy Trust

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Safar Academy Trust

Reference and Administrative Details

Trustees	H Ali
	M H Uddin
	U Baig
Principal Office	37 Madeira Road London N13 5SR
Charity Registration Number	1125653
Bankers	HSBC
	1 Aldermans Hill
	Palmers Green
	London N13 5SR
Independent Examiner	Nicholas Antoniou
	NA Associates LLP
	First floor, Woodgate Studios
	2-8 Games Road
	Cockfosters
	Hertfordshire EN4 9HN

Safar Academy Trust

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 August 2020.

Objectives and activities

Objects and aims

Our charity's purpose and aims are set out in the objects contained in the charity's Trust Deed are:

- 1 To advance the education of the public in Islamic education and pedagogy;
- 2 To provide grants, loans and other financial assistance to the poor and needy and institutions for education, welfare, religious needs and provide advice and assistance in obtaining the same;
- 3 To promote such other charitable purposes as may from time to time be determined.

The school aims to ensure that children are taught through a curriculum that is directed by the Word of Allah and the Sunnah of Muhammad (peace be upon him). They will learn to discover and evaluate the world around them from a Muslim perspective and, by means of a broad curriculum, they will be encouraged to use and develop their gifts in a God-conscious way. The objective is to provide a high quality Muslim education which will bring the best out of all the children and enable them to have confidence in the Muslim faith and to apply its principles to their lives. This philosophy is reflected in the curriculum, discipline and ethos of the school.

We achieve our charitable objectives by carrying out the following activities:-

- Dissemination of resources in Islamic education and pedagogy;
- Development of resources and providing support to schools that teach Islamic subjects;
- Running schools in the UK for children and adults teaching Islamic studies;
- Providing training to school staff;
- Help the needy people abroad who suffer from poverty and natural disasters.

Public benefit

The Charity works within the community to further the advance of education and provide grants or financial assistance to the poor and needy.

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.

Financial review

The income for the charity fell from £765,350 in 2019 to £626,686 in 2020. This was due to the effects of the Covid-19 pandemic on both reducing the donations received and the tuition fees during the initial lockdown. Due to this the charity made a loss of £22,533 compared to a profit of £71,356 in 2019. At the year end the charity had net assets of £258,726 (2019 : £281,319).

The charity has adapted to the restrictions brought on by the pandemic by using technology to continue to run the teaching activities and expects the results for 2021 to be improved. During the year the Charity received grants for the Job Retention Scheme for £87,757 (2019: £Nil) for the period when schooling ceased during the pandemic.

Policy on reserves

The finance is constantly reviewed by the committee and a reserve policy is established whereby the unrestricted funds not committed should be held in reserve and maintained at a level which ensures that Safar Academy Trust core activity could continue during a period of unforeseen difficulty. This policy is in early stages of development and the target amount represents at least six months expenditure. This will be reviewed annually.

Safar Academy Trust

Trustees' Report

Structure, governance and management

Nature of governing document

Safar Academy Trust is a small charitable organisation set up to advance Islamic education and relief poverty. Appointment and retirement of trustees is in accordance with the Trust Deed. The overall management of finance is the responsibility of all the Trustees acting on the recommendations of the Chairman, the Treasurer and the advice of the administrator/finance person. The Trustees form the Management Committee who meets regularly to oversee the running of the organisation and mitigating risk.

Recruitment and appointment of trustees

Trustees are recruited with regard to their skills, knowledge and experience needed for the effective administration of the Charity. Trustees are appointed by a resolution of the Trustees passed at a special meeting.

Induction and training of trustees

Trustees are fully briefed on their responsibilities prior to being appointed.

Arrangements for setting key management personnel remuneration

The key management personnel are the Trustees and should not benefit financially from their Trusteeship.

Organisational structure

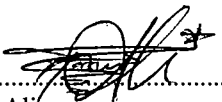
The Trustees oversee the day to day running of the charity.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

The annual report was approved by the trustees of the charity on 25.6.21.. and signed on its behalf by:


.....
H Ali
Trustee

Safar Academy Trust

Statement of Trustees' Responsibilities

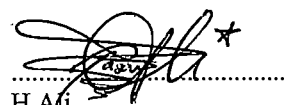
The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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.

Approved by the trustees of the charity on 25.6.21 and signed on its behalf by:



H Ali
Trustee

Safar Academy Trust

Independent Examiner's Report to the trustees of Safar Academy Trust

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2020 which are set out on pages 6 to 15.

Respective responsibilities of trustees and examiner

As the charity's trustees of Safar Academy 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 Safar Academy 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

Since Safar Academy Trust'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, 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 Safar Academy 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.



Nicholas Antoniou FCCA

NA Associates LLP
Chartered Certified Accountants
First floor, Woodgate Studios
2-8 Games Road
Cockfosters
Hertfordshire
EN4 9HN

Date: 25 June 2021

Safar Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2020


	Note	Unrestricted £	2020 £
Income and Endowments from:			
Donations and legacies		320,886	320,886
Charitable activities		<u>393,557</u>	<u>393,557</u>
Total Income		<u>714,443</u>	<u>714,443</u>
Expenditure on:			
Charitable activities		(608,743)	(608,743)
Other expenditure		<u>(128,233)</u>	<u>(128,233)</u>
Total Expenditure		<u>(736,976)</u>	<u>(736,976)</u>
Net movement in funds		(22,533)	(22,533)
Reconciliation of funds			
Total funds brought forward		<u>281,319</u>	<u>281,319</u>
Total funds carried forward		<u><u>258,786</u></u>	<u><u>258,786</u></u>
	Note	Unrestricted £	2019 £
Income and Endowments from:			
Donations and legacies		421,678	421,678
Charitable activities		<u>343,672</u>	<u>343,672</u>
Total Income		<u>765,350</u>	<u>765,350</u>
Expenditure on:			
Charitable activities		(532,365)	(532,365)
Other expenditure		<u>(161,629)</u>	<u>(161,629)</u>
Total Expenditure		<u>(693,994)</u>	<u>(693,994)</u>
Net movement in funds		71,356	71,356
Reconciliation of funds			
Total funds brought forward		<u>209,963</u>	<u>209,963</u>
Total funds carried forward		<u><u>281,319</u></u>	<u><u>281,319</u></u>

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

Safar Academy Trust
(Registration number: 1125653)
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	6	2,927	4,391
Investments	7	<u>100</u>	<u>100</u>
		<u>3,027</u>	<u>4,491</u>
Current assets			
Debtors	8	258,854	267,933
Cash at bank and in hand	9	<u>14,282</u>	<u>24,321</u>
		273,136	292,254
Creditors: Amounts falling due within one year	10	<u>(17,377)</u>	<u>(15,426)</u>
Net current assets		<u>255,759</u>	<u>276,828</u>
Net assets		<u>258,786</u>	<u>281,319</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>258,786</u>	<u>281,319</u>
Total funds		<u>258,786</u>	<u>281,319</u>

The financial statements on pages 6 to 15 were approved by the trustees, and authorised for issue on ~~25-9-20~~ and signed on their behalf by:



 H Ali
 Trustee

Safar Academy Trust

Cash Flow Statement for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (expenditure)/income		(22,533)	71,356
Adjustments to cash flows from non-cash items			
Depreciation		<u>1,464</u>	<u>1,464</u>
		(21,069)	72,820
Working capital adjustments			
Decrease/(increase) in debtors	8	9,079	(44,834)
Increase in creditors	10	<u>1,951</u>	<u>5,973</u>
Net cash flows from operating activities		(10,039)	33,959
Cash flows from financing activities			
Advance/(Repayment) of loans and borrowings	10	<u>-</u>	<u>(52,002)</u>
Net decrease in cash and cash equivalents		(10,039)	(18,043)
Cash and cash equivalents at 1 September		<u>24,321</u>	<u>42,364</u>
Cash and cash equivalents at 31 August		<u><u>14,282</u></u>	<u><u>24,321</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Safar Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

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

Safar Academy 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. Safar Academy Trust is an unincorporated charity, based in England, United Kingdom and which operates from its principal office as disclosed on page 1.

The accounts represent the individual charity financial statements and not that of the group.

The accounts are prepared in the charity's functional currency of British Pounds (£) and rounded to the nearest £1.

Group accounts not prepared

The Charity has not prepared group accounts as the group is a small group.

Going concern

During the year the worldwide Covid-19 pandemic affected the Charity by reducing the amount of donations received and limiting the teaching of students. However the Charity has adapted its working practices for online learning and continues to have a strong balance sheet. Therefore the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Income from tuition fees is recognised when the tuition has taken place and the charity is entitled to the income.

Donations and legacies

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.

Grants receivable

Grants receivable are from the government for the Job Retention Scheme and are accounted for in the period to which they payroll costs relate.

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.

Safar Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

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.

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 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:

Asset class	Depreciation method and rate
Fixtures, fittings and equipment	20% Straight line method

Trade debtors

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

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

Creditors with no stated interest rate and payables within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Safar Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

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 discretion in furtherance of the objectives of the charity.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Investments

Investments in subsidiaries and associates are measured at cost less impairment.

Safar Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

2 Income

	Other funds £	Total 2020 £	Total 2019 £
Appeals and donations	66,060	66,060	161,990
Tuition fees	305,800	305,800	343,672
Donation from subsidiary	254,826	254,826	259,688
Government grants	87,757	87,757	87,757
	<u>714,443</u>	<u>714,443</u>	<u>853,107</u>

3 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

H Ali

H Ali received remuneration of £42,000 (2019: £42,000) during the year.

No other trustees have received any reimbursed expenses or any other benefits from the charity during the year.

4 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	549,124	473,746
Social security costs	22,603	18,456
Pension costs	5,207	3,419
	<u>576,934</u>	<u>495,621</u>

The monthly average number of persons (including senior management team) employed by the charity during the year:

	2020 No	2019 No
Employees	<u>88</u>	<u>84</u>

No employee received emoluments of more than £60,000 during the year (2019 - no employees).

Safar Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

5 Taxation

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

6 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 September 2019	<u>21,967</u>	<u>21,967</u>
At 31 August 2020	<u>21,967</u>	<u>21,967</u>
Depreciation		
At 1 September 2019	17,576	17,576
Charge for the year	<u>1,464</u>	<u>1,464</u>
At 31 August 2020	<u>19,040</u>	<u>19,040</u>
Net book value		
At 31 August 2020	<u>2,927</u>	<u>2,927</u>
At 31 August 2019	<u>4,391</u>	<u>4,391</u>

7 Fixed asset investments

	2020 £	2019 £
Shares in group undertakings and participating interests	<u>100</u>	<u>100</u>

Safar Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 September 2019	100	100
At 31 August 2020	100	100
Net book value		
At 31 August 2020	100	100
At 31 August 2019	100	100

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2020	2019	
Subsidiary undertakings					
Safar Publications Limited	United Kingdom	Ordinary shares	100%	100%	Sale of books

8 Debtors

	2020 £	2019 £
Due from group undertakings	220,729	259,455
Other debtors	38,125	8,478
	<u>258,854</u>	<u>267,933</u>

9 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	<u>14,282</u>	<u>24,321</u>

Safar Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	8,256	-
Accruals	9,121	15,426
	<u>17,377</u>	<u>15,426</u>

11 Commitments

Other financial commitments

The charity has financial commitments for rent payable.

The total amount of other financial commitments not provided in the financial statements was £15,500 (2019 - £46,000).

12 Analysis of net assets between funds

	Total funds 2020 £
Tangible fixed assets	2,927
Fixed asset investments	100
Current assets	273,136
Current liabilities	<u>(17,377)</u>
Total net assets	<u>258,786</u>

All funds are unrestricted.

	Total funds 2019 £
Tangible fixed assets	4,491
Fixed asset investments	100
Current assets	292,254
Current liabilities	<u>(15,426)</u>
Total net assets	<u>281,419</u>

All funds are unrestricted.

13 Related party transactions

During the year the charity made the following related party transactions:

Safar Publications Limited

(Donations includes an amount of £254,826 (2019 - £259,688) received from the subsidiary. Debtors includes an amount of £220,729 (2019 - £259,454) receivable from the subsidiary.)

Safar Academy Trust

Statement of Financial Activities by fund for the Year Ended 31 August 2020

	Total Unrestricted 2020 £	(As restated) Total Unrestricted 2019 £
Income and Endowments from:		
Donations and legacies	320,886	421,678
Charitable activities	<u>393,557</u>	<u>343,672</u>
Total income	<u>714,443</u>	<u>765,350</u>
Expenditure on:		
Charitable activities	(608,743)	(532,365)
Other expenditure	<u>(128,233)</u>	<u>(161,629)</u>
Total expenditure	<u>(736,976)</u>	<u>(693,994)</u>
Net (expenditure)/income	<u>(22,533)</u>	<u>71,356</u>
Net movement in funds	(22,533)	71,356
Reconciliation of funds		
Total funds brought forward	<u>281,319</u>	<u>209,963</u>
Total funds carried forward	<u><u>258,786</u></u>	<u><u>281,319</u></u>

Safar Academy Trust

Detailed Statement of Financial Activities for the Year Ended 31 August 2020

	Total 2020 £	Total 2019 £
Income and Endowments from:		
Donations and legacies (analysed below)	320,886	421,678
Charitable activities (analysed below)	<u>393,557</u>	<u>343,672</u>
Total income	<u>714,443</u>	<u>765,350</u>
Expenditure on:		
Charitable activities (analysed below)	(608,743)	(532,365)
Other expenditure (analysed below)	<u>(128,233)</u>	<u>(161,629)</u>
Total expenditure	<u>(736,976)</u>	<u>(693,994)</u>
Net (expenditure)/income	<u>(22,533)</u>	<u>71,356</u>
Net movement in funds	(22,533)	71,356
Reconciliation of funds		
Total funds brought forward	<u>281,319</u>	<u>209,963</u>
Total funds carried forward	<u><u>258,786</u></u>	<u><u>281,319</u></u>

Safar Academy Trust

Detailed Statement of Financial Activities for the Year Ended 31 August 2020

	Total 2020 £	Total 2019 £
<i>Donations and legacies</i>		
Appeals and donations	320,886	421,678
	<u>320,886</u>	<u>421,678</u>
<i>Charitable activities</i>		
Services and fees	305,800	343,672
Grants receivable	87,757	-
	<u>393,557</u>	<u>343,672</u>
<i>Charitable activities</i>		
Wages and salaries	549,124	473,746
Staff NIC (Employers)	22,603	18,456
Staff pensions (Defined contribution)	5,207	3,419
Trips & Travelling	16,351	21,222
Donations	15,458	15,522
	<u>608,743</u>	<u>532,365</u>
<i>Other expenditure</i>		
Rent	41,266	56,724
Insurance	1,290	1,272
Telephone and fax	1,228	1,362
Printing, postage and stationery	4,738	3,367
Sundry expenses	2,963	9,993
Accountancy fees	9,092	3,212
Accountancy prior years	9,299	-
Independent examiner's fee	1,300	1,300
Consultancy and professional fees	54,490	80,403
Bank charges	1,103	2,532
Depreciation of fixtures and fittings	1,464	1,464
	<u>128,233</u>	<u>161,629</u>