

Charity registration number: 1125653

# Safar Academy Trust

Annual Report and Consolidated Financial Statements

for the Year Ended 31 August 2022

## **Safar Academy Trust**

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## **Safar Academy Trust**

### **Reference and Administrative Details**

<b>Trustees</b>	H Ali
	M H Uddin
	M Baig
<b>Charity Registration Number</b>	1125653
<b>Principal Office</b>	37 Maderia Road London N13 5SR
<b>Auditors</b>	NA Associates LLP Chartered Certified Accountants Woodgate Studios 2-8 Games Road Cockfosters Hertfordshire EN4 9HN
<b>Bankers</b>	HSBC 1 Aldermans Hill Palmers Green London N13 5SR

## **Safar Academy Trust**

### **Trustees' Report**

The trustees, present the annual report together with the consolidated financial statements and auditors' report of the charity for the year ended 31 August 2022.

#### **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.

##### ***Fundraising disclosures***

The group receives donations throughout the year to further the educational purposes of the charity.

##### ***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.

##### ***Use of volunteers***

The group is very grateful for the use of volunteers to assist with fund raising.

##### **Financial review**

The total income for the group increased from £976,841 in 2021 to £1,182,087 in 2022. This was due mainly to more book sales in the subsidiary which increased from £527,265 in 2021 to £724,702 in 2022. In addition income from tuition fees increased from £344,107 to £396,942.

The group incurred significant costs in the current and prior year in developing the learning App which was launched after the year end.

Due to this the group made a deficit of £50,793 compared to a deficit of £33,898 in 2021.

At the year end the group had net assets of £174,095 compared to £224,888 in 2021.

## **Safar Academy Trust**

### **Trustees' Report**

#### ***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 development and the target amount represents at least six months expenditure. This will be reviewed annually.

#### **Plans for future periods**

##### ***Aims and key objectives for future periods***

Safar Academy Trust aims to continually grow its core business of the education and is looking to expand into new geographical areas.

The subsidiary Safar Publications Limited continues to grow its educational book sales and has also developed and launched an educational App in 2023 to aid the educational learning of the students.

#### **Trustees and Officers**

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	H Ali
	M H Uddin
	M Baig

#### **Structure, governance and management**

##### ***Nature of governing document***

Safar Academy Trust is a 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 who should not benefit financially from their Trusteeship, unless agreed upon by the Trustees.

##### ***Organisational structure***

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

## **Safar Academy Trust**

### **Trustees' Report**

#### ***Major risks and management of those risks***

The trustees review the major risks to which the charity is exposed and ensure that systems exist to minimise the impact of any risks on its future effectiveness.

The major risks are considered to be:

1. Difficulty in recruiting staff;
2. A fall in income due to competitors;
3. A risk to the reputation of the charity leading to a fall in income.

These risks are mitigated by ensuring the quality of teaching and books are of a high level. The charity maintains a strong management team and monitors feedback from pupils and customers.

#### **Financial instruments**

##### ***Objectives and policies***

The charity's activities expose it to a number of financial risks. 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.

#### **Statement of responsibilities**

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

The law applicable to charities in England & Wales 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 2019 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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 Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They 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.

## **Safar Academy Trust**

### **Trustees' Report**

#### **Disclosure of information to auditor**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 28 November 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'H Ali', with a small asterisk to its right.

.....  
H Ali  
Trustee

## **Safar Academy Trust**

### **Independent Auditor's Report to the Trustees of Safar Academy Trust**

#### **Opinion**

We have audited the financial statements of Safar Academy Trust (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 August 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other matters**

The comparative financial statements are unaudited as the charity was entitled to exemption from audit under the Charities Act.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



## **Safar Academy Trust**

### **Independent Auditor's Report to the Trustees of Safar Academy Trust**

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Identifying and testing significant manual journal entries and reviewing assumptions and judgements made by management in making significant accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

## Safar Academy Trust

### Independent Auditor's Report to the Trustees of Safar Academy Trust

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*NA Associates LLP*

NA Associates LLP  
Chartered Certified Accountants  
and Statutory Auditors

Woodgate Studios  
2-8 Games Road  
Cockfosters  
Hertfordshire  
EN4 9HN

4 December 2023

*NA Associates LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

## Safar Academy Trust

### Consolidated Statement of Financial Activities for the Year Ended 31 August 2022

	Note	Unrestricted funds £	Total 2022 £
<b>Income and Endowments from:</b>			
Donations and legacies	2	57,563	57,563
Charitable activities	3	396,942	396,942
Other trading activities	4	724,702	724,702
Other income	5	<u>2,880</u>	<u>2,880</u>
Total income		<u>1,182,087</u>	<u>1,182,087</u>
<b>Expenditure on:</b>			
Raising funds	6	(324,975)	(324,975)
Charitable activities	7	(837,200)	(837,200)
Other expenditure	8	<u>(70,705)</u>	<u>(70,705)</u>
Total expenditure		<u>(1,232,880)</u>	<u>(1,232,880)</u>
Net expenditure		<u>(50,793)</u>	<u>(50,793)</u>
Net movement in funds		(50,793)	(50,793)
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>224,888</u>	<u>224,888</u>
Total funds carried forward	18	<u><u>174,095</u></u>	<u><u>174,095</u></u>

The notes on pages 15 to 28 form an integral part of these financial statements.

## Safar Academy Trust

### Consolidated Statement of Financial Activities for the Year Ended 31 August 2022

	Note	Unrestricted funds £	Total 2021 £
<b>Income and Endowments from:</b>			
Donations and legacies	2	50,112	50,112
Charitable activities	3	344,107	344,107
Other trading activities	4	527,265	527,265
Other income	5	<u>55,357</u>	<u>55,357</u>
Total income		<u>976,841</u>	<u>976,841</u>
<b>Expenditure on:</b>			
Raising funds	6	(237,592)	(237,592)
Charitable activities	7	(722,121)	(722,121)
Other expenditure	8	<u>(51,026)</u>	<u>(51,026)</u>
Total expenditure		<u>(1,010,739)</u>	<u>(1,010,739)</u>
Net expenditure		<u>(33,898)</u>	<u>(33,898)</u>
Net movement in funds		(33,898)	(33,898)
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>258,786</u>	<u>258,786</u>
Total funds carried forward	18	<u><u>224,888</u></u>	<u><u>224,888</u></u>

All of the group's activities derive from continuing operations during the above two periods.  
The funds breakdown for is shown in the notes 18.

# Safar Academy Trust

(Registration number: )

## Consolidated Balance Sheet as at 31 August 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	11	9,017	8,419
<b>Current assets</b>			
Stocks	13	181,777	39,070
Debtors	14	57,644	82,787
Cash at bank and in hand	15	100,425	138,775
		339,846	260,632
<b>Creditors: Amounts falling due within one year</b>	16	(174,768)	(44,163)
<b>Net current assets</b>		165,078	216,469
<b>Net assets</b>		174,095	224,888
<b>Funds of the group:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		174,095	224,888
<b>Total funds</b>	18	174,095	224,888

The financial statements on pages 9 to 28 were approved by the trustees, and authorised for issue on 28 November 2023 and signed on their behalf by:



H Ali  
Trustee

The notes on pages 15 to 28 form an integral part of these financial statements.

**Safar Academy Trust**  
**(Registration number: )**  
**Balance Sheet as at 31 August 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	11	9,017	8,419
Investments		<u>100</u>	<u>100</u>
		<u>9,117</u>	<u>8,519</u>
<b>Current assets</b>			
Debtors	14	171,574	185,957
Cash at bank and in hand	15	<u>72,299</u>	<u>48,560</u>
		243,873	234,517
<b>Creditors: Amounts falling due within one year</b>	16	<u>(23,701)</u>	<u>(18,148)</u>
<b>Net current assets</b>		<u>220,172</u>	<u>216,369</u>
<b>Net assets</b>		<u>229,289</u>	<u>224,888</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>229,289</u>	<u>224,888</u>
<b>Total funds</b>	18	<u>229,289</u>	<u>224,888</u>

The financial statements on pages 9 to 28 were approved by the trustees, and authorised for issue on 28 November 2023 and signed on their behalf by:



.....  
H Ali  
Trustee

## Safar Academy Trust

### Consolidated Statement of Cash Flows for the Year Ended 31 August 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash expenditure		(50,793)	(33,898)
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	6, 8	<u>1,968</u>	<u>1,784</u>
		(48,825)	(32,114)
<b>Working capital adjustments</b>			
(Increase)/decrease in stocks	13	(142,707)	121,128
Decrease in debtors	14	25,143	192,944
Increase/(decrease) in creditors	16	<u>130,605</u>	<u>(206,150)</u>
Net cash flows from operating activities		(35,784)	75,808
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	11	(2,566)	(7,276)
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	16	<u>-</u>	<u>(50,000)</u>
Net (decrease)/increase in cash and cash equivalents		(38,350)	18,532
Cash and cash equivalents at 1 September		<u>138,775</u>	<u>120,243</u>
Cash and cash equivalents at 31 August		<u><u>100,425</u></u>	<u><u>138,775</u></u>

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

The notes on pages 15 to 28 form an integral part of these financial statements.

# Safar Academy Trust

## Statement of Cash Flows for the Year Ended 31 August 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash income/(expenditure)		4,401	(33,898)
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	6, 8	<u>1,968</u>	<u>1,784</u>
		6,369	(32,114)
<b>Working capital adjustments</b>			
Decrease in debtors	14	14,383	72,897
Increase in creditors	16	<u>5,553</u>	<u>771</u>
Net cash flows from operating activities		26,305	41,554
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	11	<u>(2,566)</u>	<u>(7,276)</u>
Net increase in cash and cash equivalents		23,739	34,278
Cash and cash equivalents at 1 September		<u>48,560</u>	<u>14,282</u>
Cash and cash equivalents at 31 August		<u><u>72,299</u></u>	<u><u>48,560</u></u>

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

The notes on pages 15 to 28 form an integral part of these financial statements.



## **Safar Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022**

#### **1 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charity constitutes a public benefit entity as defined by FRS102.

##### **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.

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

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertaking drawn up to 31 August 2022. No statement of financial activities is presented for the parent charity as permitted. The parent charity made a profit for the financial year of £4,401 (2021 - loss of £33,898).

## **Safar Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022**

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### **Going concern**

The financial statements have been prepared on a going concern basis, as the trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group. The group made a small loss in the past 2 years which were due to one off software development costs in the subsidiary for the App that has been launched in 2023. Since the year end the group has returned to making net cash income and expect the group to continue to do so into the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

#### **Income and endowments**

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

#### **Donations and legacies**

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

## **Safar Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022**

#### ***Charitable activities***

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

#### **Other income**

The subsidiary income arises from the sale of books and is recognised once the books are dispatched to the customer.

#### **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.

#### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

#### ***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.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

#### **Government grants**

Grants are recognised in the period to which they relate.

#### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Fixtures, fittings and equipment	20% straight line method

## **Safar Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022**

#### **Research and development**

Research and development expenditure is written off in the profit and loss account as incurred.

#### **Business combinations**

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the charity. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

#### **Stock**

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

#### **Trade debtors**

Trade debtors and other debtors are measured at cost, less provision for impairment. A provision for the impairment of debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

#### **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**

Trade creditors and other creditors are obligations to pay for goods or services. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors and other creditors are recognised at cost.

#### **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.

#### **Pensions and other post retirement obligations**

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## Safar Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 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.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

##### *Investments*

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

#### 2 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Donations and legacies;		
Donations	57,563	57,563
<b>Total for 2022</b>	<b>57,563</b>	<b>57,563</b>
<b>Total for 2021</b>	<b>50,112</b>	<b>50,112</b>

# Safar Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 3 Income from charitable activities

	Unrestricted funds General £	Total 2022 £
Tuition fees	396,942	396,942
	Unrestricted funds General £	Total 2021 £
Tuition fees	344,107	344,107

### 4 Income from other trading activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Sale of books	724,702	724,702	527,265
	<u>724,702</u>	<u>724,702</u>	<u>527,265</u>

### 5 Other income

	Unrestricted funds General £	Total funds £
Other income - grants	2,880	2,880
Total for 2022	<u>2,880</u>	<u>2,880</u>
Total for 2021	<u>55,357</u>	<u>55,357</u>

### 6 Expenditure on raising funds

#### a) Costs of trading activities

	Note	Unrestricted funds General £	Total funds £
Costs of goods sold		324,975	324,975
Total for 2022		<u>324,975</u>	<u>324,975</u>
Total for 2021		<u>237,592</u>	<u>237,592</u>

# Safar Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 7 Expenditure on charitable activities

		Unrestricted funds General £	Total 2022 £
Staff costs	Note 10	525,053	525,053
Allocated support costs (see below)		312,147	312,147
		<u>837,200</u>	<u>837,200</u>

		Unrestricted funds General £	Total 2021 £
Staff costs	Note 10	561,475	561,475
Allocated support costs (see below)		160,646	160,646
		<u>722,121</u>	<u>722,121</u>

### Support Costs

	Activity undertaken directly £	2022 £	2021 £
Rent payable	53,656	53,656	37,962
Computer, IT and development costs	157,132	157,132	71,476
Consultancy	101,359	101,359	51,208
	<u>312,147</u>	<u>312,147</u>	<u>160,646</u>

### 8 Other expenditure

		Unrestricted funds General £	Total 2022 £
Audit fees			
Audit of the financial statements		8,800	8,800
Other fees paid to auditors		11,415	11,415
Depreciation, amortisation and other similar costs		1,968	1,968
Other resources expended		48,522	48,522
		<u>70,705</u>	<u>70,705</u>

## Safar Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022

	Unrestricted funds	Total
	General	2021
	£	£
Audit fees		
- Audit of the financial statements	0	0
- Other fees paid to auditors	9,626	9,626
Depreciation, amortisation and other similar costs	1,784	1,784
Other resources expended	39,616	39,616
	51,026	51,026

#### 9 Trustees remuneration and expenses

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

##### **H Ali**

H Ali received remuneration of £55,906 (2021: £42,000) during the year.

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

#### 10 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
<b>Staff costs during the year were:</b>		
Wages and salaries	499,513	536,513
Social security costs	19,225	19,478
Pension costs	6,315	5,484
	525,053	561,475

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2022 No	2021 No
Administration	12	10
Teaching staff	78	74
	90	84

No employee received emoluments of more than £60,000 during the year.



# Safar Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 11 Tangible fixed assets

#### Group

	Furniture and equipment £	Total £
<b>Cost</b>		
At 1 September 2021	29,243	29,243
Additions	2,566	2,566
At 31 August 2022	31,809	31,809
<b>Depreciation</b>		
At 1 September 2021	20,824	20,824
Charge for the year	1,968	1,968
At 31 August 2022	22,792	22,792
<b>Net book value</b>		
At 31 August 2022	9,017	9,017
At 31 August 2021	8,419	8,419

#### Charity

	Furniture and equipment £	Total £
<b>Cost</b>		
At 1 September 2021	29,243	29,243
Additions	2,566	2,566
At 31 August 2022	31,809	31,809
<b>Depreciation</b>		
At 1 September 2021	20,824	20,824
Charge for the year	1,968	1,968
At 31 August 2022	22,792	22,792
<b>Net book value</b>		
At 31 August 2022	9,017	9,017
At 31 August 2021	8,419	8,419

## Safar Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 12 Fixed asset investments

##### Charity

##### Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
<b>Cost</b>		
At 1 September 2021	100	100
At 31 August 2022	100	100
<b>Net book value</b>		
At 31 August 2022	100	100
At 31 August 2021	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
			2022	2021	
Subsidiary undertakings					
Safar Publications Limited	England	Ordinary shares	100%	100%	Sale of books

#### 13 Stock

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Stocks	181,777	39,070	-	-

## Safar Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 14 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Due from group undertakings	-	-	162,685	177,159
Prepayments	26,389	60,365	-	-
VAT recoverable	8,926	2,294	-	-
Other debtors	22,329	20,128	8,889	8,798
	<u>57,644</u>	<u>82,787</u>	<u>171,574</u>	<u>185,957</u>

#### 15 Cash and cash equivalents

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Cash at bank	<u>100,425</u>	<u>138,775</u>	<u>72,299</u>	<u>48,560</u>

#### 16 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	67,927	-	-	-
Other taxation and social security	6,856	6,575	984	6,575
Other creditors	75,775	28,858	2,507	2,843
Accruals	24,210	8,730	20,210	8,730
	<u>174,768</u>	<u>44,163</u>	<u>23,701</u>	<u>18,148</u>

#### 17 Pension and other schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £6,315 (2021 - £5,484).

# Safar Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 18 Funds

#### Group

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Balance at 31 August 2022 £
Unrestricted funds				
General	<u>224,888</u>	<u>1,182,087</u>	<u>(1,227,869)</u>	<u>179,106</u>

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Balance at 31 August 2021 £
Unrestricted funds				
General	<u>258,786</u>	<u>976,841</u>	<u>(1,010,739)</u>	<u>224,888</u>

#### Charity

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Balance at 31 August 2022 £
Unrestricted funds				
General	<u>224,888</u>	<u>457,385</u>	<u>(452,984)</u>	<u>229,289</u>

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Balance at 31 August 2021 £
Unrestricted funds				
General	<u>258,786</u>	<u>611,494</u>	<u>(645,392)</u>	<u>224,888</u>

# Safar Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 19 Analysis of net assets between funds

#### Group

	Unrestricted funds General £	Total funds at 31 August 2022 £
Tangible fixed assets	9,017	9,017
Current assets	339,846	339,846
Current liabilities	(174,768)	(174,768)
Total net assets	<u>174,095</u>	<u>174,095</u>
	Unrestricted funds General £	Total funds at 31 August 2021 £
Tangible fixed assets	8,419	8,419
Current assets	260,632	260,632
Current liabilities	(44,163)	(44,163)
Total net assets	<u>224,888</u>	<u>224,888</u>

#### Charity

	Unrestricted funds General £	Total funds at 31 August 2022 £
Tangible fixed assets	9,017	9,017
Fixed asset investments	100	100
Current assets	243,873	243,873
Current liabilities	(23,701)	(23,701)
Total net assets	<u>229,289</u>	<u>229,289</u>
	Unrestricted funds General £	Total funds at 31 August 2021 £
Tangible fixed assets	8,419	8,419
Fixed asset investments	100	100
Current assets	234,517	234,517
Current liabilities	(18,148)	(18,148)
Total net assets	<u>224,888</u>	<u>224,888</u>

## **Safar Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022**

#### **20 Related party transactions**

Other creditors of the group includes an amount of £60,000 (2021 - £Nil) owed to a related party.

Debtors for the parent charity includes an amount of £162,685 (2021 - £177,159) due from the subsidiary company.