

Charity registration number: 1125653

Safar Academy Trust

Annual Report and Consolidated Financial Statements

for the Year Ended 31 August 2023

Safar Academy Trust

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Safar Academy Trust

Reference and Administrative Details

Trustees	S A Wasim M Baig S M A Amjad
Charity Registration Number	1125653
Principal Office	Unit 235 North London Business Park Oakleigh Road South London N11 1GN
Auditors	NA Associates LLP Chartered Certified Accountants Woodgate Studios 2-8 Games Road Cockfosters Hertfordshire EN4 9HN
Bankers	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 2023.

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

Policy on reserves

The finances are 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.

Safar Academy Trust

Trustees' Report

Plans for future periods

Trustees and Officers

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

Trustees:	S A Wasim (appointed 1 April 2024)
	M Baig
	S M A Amjad (appointed 1 April 2024)
	H Ali (resigned 1 April 2024)
	M H Uddin (resigned 1 April 2024)

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.

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.

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Trustees' Report

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.

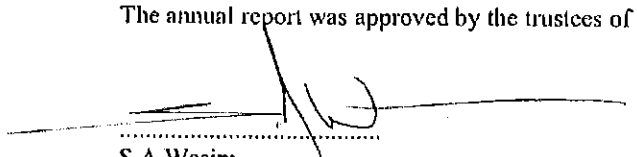
Safar Academy Trust

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 06/12/2021 and signed on its behalf by:



S A Wasim
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 2023 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 2023, 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.

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.

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:

Safar Academy Trust

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

- 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:

- 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.

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

- 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

Date: *7/12/24*

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

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Consolidated Statement of Financial Activities for the Year Ended 31 August 2023

	Note	Unrestricted funds £	Total 2023 £
Income and Endowments from:			
Donations and legacies	2	63,418	63,418
Charitable activities	3	444,549	444,549
Other trading activities	4	<u>907,612</u>	<u>907,612</u>
Total income		<u>1,415,579</u>	<u>1,415,579</u>
Expenditure on:			
Raising funds	6	(591,982)	(591,982)
Charitable activities	7	(834,392)	(834,392)
Other expenditure	8	<u>(98,957)</u>	<u>(98,957)</u>
Total expenditure		<u>(1,525,331)</u>	<u>(1,525,331)</u>
Net expenditure		<u>(109,752)</u>	<u>(109,752)</u>
Net movement in funds		(109,752)	(109,752)
Reconciliation of funds			
Total funds brought forward		<u>174,095</u>	<u>174,095</u>
Total funds carried forward	18	<u><u>64,343</u></u>	<u><u>64,343</u></u>

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

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Consolidated Statement of Financial Activities for the Year Ended 31 August 2023

	Note	Unrestricted funds £	Total 2022 £
Income and Endowments from:			
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>
Expenditure on:			
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)
Reconciliation of funds			
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>

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.

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

Safar Academy Trust

(Registration number:)

Consolidated Balance Sheet as at 31 August 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	9,324	9,017
Current assets			
Stocks	13	107,201	181,777
Debtors	14	61,668	57,644
Cash at bank and in hand	15	218,334	100,425
		387,203	339,846
Creditors: Amounts falling due within one year	16	(332,184)	(174,768)
Net current assets		55,019	165,078
Net assets		64,343	174,095
Funds of the group:			
Unrestricted income funds			
Unrestricted funds		64,343	174,095
Total funds	18	64,343	174,095

The financial statements on pages 9 to 28 were approved by the trustees, and authorised for issue on 06/12/2023 and signed on their behalf by:

S A Wasim
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 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	7,049	9,017
Investments		<u>100</u>	<u>100</u>
		<u>7,149</u>	<u>9,117</u>
Current assets			
Debtors	14	131,918	171,574
Cash at bank and in hand	15	<u>104,064</u>	<u>72,299</u>
		235,982	243,873
Creditors: Amounts falling due within one year	16	<u>(49,853)</u>	<u>(23,701)</u>
Net current assets		<u>186,129</u>	<u>220,172</u>
Net assets		<u>193,278</u>	<u>229,289</u>
Funds of the charity:			
Unrestricted Income funds			
Unrestricted funds		<u>193,278</u>	<u>229,289</u>
Total funds	18	<u>193,278</u>	<u>229,289</u>

The financial statements on pages 9 to 28 were approved by the trustees, and authorised for issue on 06/12/2024 and signed on their behalf by:

S A Wasim
Trustee

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

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Consolidated Statement of Cash Flows for the Year Ended 31 August 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash expenditure		(109,752)	(50,793)
Adjustments to cash flows from non-cash items			
Depreciation	6, 8	<u>2,537</u>	<u>1,968</u>
		(107,215)	(48,825)
Working capital adjustments			
Decrease/(increase) in stocks	13	74,576	(142,707)
(Increase)/decrease in debtors	14	(4,024)	25,143
Increase in creditors	16	<u>157,416</u>	<u>130,605</u>
Net cash flows from operating activities		120,753	(35,784)
Cash flows from investing activities			
Purchase of tangible fixed assets	11	<u>(2,844)</u>	<u>(2,566)</u>
Net increase/(decrease) in cash and cash equivalents		117,909	(38,350)
Cash and cash equivalents at 1 September		<u>100,425</u>	<u>138,775</u>
Cash and cash equivalents at 31 August		<u><u>218,334</u></u>	<u><u>100,425</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.

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Statement of Cash Flows for the Year Ended 31 August 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (expenditure)/income		(36,011)	4,401
Adjustments to cash flows from non-cash items			
Depreciation	6, 8	<u>1,968</u>	<u>1,968</u>
		(34,043)	6,369
Working capital adjustments			
Decrease in debtors	14	39,656	14,383
Increase in creditors	16	<u>26,152</u>	<u>5,553</u>
Net cash flows from operating activities		31,765	26,305
Cash flows from investing activities			
Purchase of tangible fixed assets	11	<u>-</u>	<u>(2,566)</u>
Net increase in cash and cash equivalents		31,765	23,739
Cash and cash equivalents at 1 September		<u>72,299</u>	<u>48,560</u>
Cash and cash equivalents at 31 August		<u><u>104,064</u></u>	<u><u>72,299</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.

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Notes to the Financial Statements for the Year Ended 31 August 2023

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 2023. No statement of financial activities is presented for the parent charity as permitted. The parent charity made a loss for the financial year of £36,011 (2022 - profit £4,401).

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Notes to the Financial Statements for the Year Ended 31 August 2023

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 loss in 2023 and 2022 which was due mainly to one off software development costs in the subsidiary for the for a new App that will be fully launched in 2025. Since the year end the group has returned to making a profit 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 2023

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:

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

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Notes to the Financial Statements for the Year Ended 31 August 2023

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 2023

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	63,418	63,418
Total for 2023	63,418	63,418
Total for 2022	57,563	57,563

Safar Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

3 Income from charitable activities

	Unrestricted funds General £	Total 2023 £
Tuition fees	444,549	444,549
	Unrestricted funds General £	Total 2022 £
Tuition fees	396,942	396,942

4 Income from other trading activities

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Sale of books	901,836	901,836	724,702
App income	5,776	5,776	-
	907,612	907,612	724,702

5 Other income

	Unrestricted funds General £	Total funds £
Total for 2022	2,880	2,880

6 Expenditure on raising funds

a) Costs of trading activities

	Note	Unrestricted funds General £	Total funds £
Costs of goods sold		591,982	591,982
Total for 2023		591,982	591,982
Total for 2022		324,975	324,975

Safar Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

7 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total 2023 £
Staff costs	10	634,347	634,347
Allocated support costs (see below)		200,045	200,045
		<u>834,392</u>	<u>834,392</u>

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

Support Costs

	2023 £	2022 £
Rent payable	81,270	53,656
Computer, IT and development costs	8,258	157,132
Consultancy	110,517	101,359
	<u>200,045</u>	<u>312,147</u>

8 Other expenditure

	Note	Unrestricted funds General £	Total 2023 £
Audit fees			
Audit of the financial statements		9,240	9,240
Other fees paid to auditors		19,540	19,540
Depreciation, amortisation and other similar costs		2,537	2,537
Other resources expended		67,640	67,640
		<u>98,957</u>	<u>98,957</u>

Safar Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

	Unrestricted funds	Total
	General	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>

9 Trustees remuneration and expenses

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

H Ali

H Ali received remuneration of £73,424 (2022: £55,906) 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:

	2023	2022
	£	£
Staff costs during the year were:		
Wages and salaries	607,206	455,508
Social security costs	20,678	14,214
Pension costs	6,463	6,315
	<u>634,347</u>	<u>476,037</u>

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:

	2023	2022
	No	No
Administration	9	12
Teaching staff	87	78
	<u>96</u>	<u>90</u>

The number of employees whose emoluments fell within the following bands was:

	2023	2022
	No	No
£70,001 - £80,000	1	-

Safar Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

11 Tangible fixed assets

Group

	Furniture and equipment £	Total £
Cost		
At 1 September 2022	31,809	31,809
Additions	2,844	2,844
At 31 August 2023	34,653	34,653
Depreciation		
At 1 September 2022	22,792	22,792
Charge for the year	2,537	2,537
At 31 August 2023	25,329	25,329
Net book value		
At 31 August 2023	9,324	9,324
At 31 August 2022	9,017	9,017

Charity

	Furniture and equipment £	Total £
Cost		
At 1 September 2022	31,809	31,809
Additions	2,844	2,844
At 31 August 2023	34,653	34,653
Depreciation		
At 1 September 2022	22,792	22,792
Charge for the year	2,537	2,537
At 31 August 2023	25,329	25,329
Net book value		
At 31 August 2023	9,324	9,324
At 31 August 2022	9,017	9,017

Safar Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

12 Fixed asset investments

Charity

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 September 2022	100	100
At 31 August 2023	100	100
Net book value		
At 31 August 2023	100	100
At 31 August 2022	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
			2023	2022	
Subsidiary undertakings					
Safar Publications Limited	England	Ordinary shares	100%	100%	Sale of books

13 Stock

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Stocks	107,201	181,777	-	-

Safar Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

14 Debtors

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	20,057	-	-	-
Due from group undertakings	-	-	122,987	162,685
Prepayments	453	26,389	-	-
VAT recoverable	4,226	8,926	-	-
Other debtors	36,932	22,329	8,931	8,889
	<u>61,668</u>	<u>57,644</u>	<u>131,918</u>	<u>171,574</u>

15 Cash and cash equivalents

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Cash at bank	<u>218,334</u>	<u>100,425</u>	<u>104,064</u>	<u>72,299</u>

16 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	170,695	67,927	-	-
Other taxation and social security	10,023	6,856	2,084	984
Other creditors	118,776	75,775	23,929	2,507
Accruals	32,690	24,210	23,840	20,210
	<u>332,184</u>	<u>174,768</u>	<u>49,853</u>	<u>23,701</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 (2022 - £5,484).

Safar Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

18 Funds

Group

	Balance at 1 September 2022 £	Incoming resources £	Resources expended £	Balance at 31 August 2023 £
Unrestricted funds				
General	<u>174,095</u>	<u>1,415,579</u>	<u>(1,525,331)</u>	<u>64,343</u>

	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>(1,232,880)</u>	<u>174,095</u>

Charity

	Balance at 1 September 2022 £	Incoming resources £	Resources expended £	Balance at 31 August 2023 £
Unrestricted funds				
General	<u>229,289</u>	<u>507,967</u>	<u>(543,978)</u>	<u>193,278</u>

	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>

Safar Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

19 Analysis of net assets between funds

Group

	Unrestricted funds General £	Total funds at 31 August 2023 £
Tangible fixed assets	9,324	9,324
Current assets	387,203	387,203
Current liabilities	(332,184)	(332,184)
Total net assets	<u>64,343</u>	<u>64,343</u>
	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>

Charity

	Unrestricted funds General £	Total funds at 31 August 2023 £
Tangible fixed assets	7,049	7,049
Fixed asset investments	100	100
Current assets	235,982	235,982
Current liabilities	(49,853)	(49,853)
Total net assets	<u>193,278</u>	<u>193,278</u>
	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>

Safar Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

20 Related party transactions

Other creditors of the group includes an amount of £Nil (2022 - £60,000) owed to a related party.

Debtors for the parent charity includes an amount of £122,987 (2022 - £162,685) due from the subsidiary company.