

AL FALAH INSTITUTE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

AL FALAH INSTITUTE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs Mariam Tariq Mrs Zakia Khan Mrs Shakila Abbasi Mrs Zulakha Alam Mrs Saeeda Ali
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Charity number	1131917
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Principal address	14 Yeading Lane Hayes UB3 0EX
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Accountants	Reddy Siddiqui LLP 183-189 The Vale Acton London W3 7RW
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TRUSTEES REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The Trustees present their report and financial statements for the year ended 30 September 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Charity's objects are for the advancement of Islamic religion for the benefit of Muslim women in accordance with the doctrine of the holy Quran and sunnah. For the advancement of Islamic education amongst Muslim women in the doctrines and practices of the Islamic religion particularly in accordance with the doctrines and practices of Muslim faith according to the holy Quran and sunnah. By providing and assisting in the provision of facilities for recreational and other leisure time occupation for the benefit of female inhabitants of London borough of Hillingdon and London borough of Ealing and surrounding areas and particularly for the benefit of Muslim women so that the conditions of the life of the said inhabitants may be improved. and there has been no change in these during the year.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

Achievements and performance

Financial review

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mrs Mariam Tariq

Mrs Zakia Khan

Mrs Shakila Abbasi

Mrs Zulakha Alam

Mrs Saeeda Ali

The Trustees report was approved by the Board of Trustees.

Mrs Zulakha Alam

Trustees

Dated: 15 November 2021

AL FALAH INSTITUTE

CHARTERED ACCOUNTANTS' REPORT TO THE TRUSTEES ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF AL FALAH INSTITUTE FOR THE YEAR ENDED 30 SEPTEMBER 2020

In order to assist you to fulfil your duties under the Charities Act 2011, we have prepared for your approval the financial statements of AL Falah Institute for the year ended 30 September 2020, which comprise the statement of financial activities and the related notes from the charity's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>

This report is made to the charity's Trustees, as a body, in accordance with the terms of our engagement letter dated 1 September 2018. Our work has been undertaken solely to prepare for your approval the financial statements of AL Falah Institute and state those matters that we have agreed to state to the charity's Trustees, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than AL Falah Institute and the charity's Trustees as a body, for our work or for this report.

It is your duty to ensure that AL Falah Institute has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and surplus of AL Falah Institute. You consider that AL Falah Institute is exempt from the statutory audit requirement for the year, and is not required to obtain an independent examiner's report.

We have not been instructed to carry out an audit or a review of the financial statements of AL Falah Institute. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Reddy Siddiqui LLP

15 November 2021

Chartered Accountants

183-189 The Vale
Acton
London
W3 7RW

AL FALAH INSTITUTE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<u>Income from:</u>			
Donations and legacies	2	31,427	12,494
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	3	26,271	18,818
		<hr/>	<hr/>
Net income/(expenditure) for the year/ Net movement in funds		5,156	(6,324)
Fund balances at 1 October 2019		785,149	791,473
		<hr/>	<hr/>
Fund balances at 30 September 2020		790,305	785,149
		<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

AL FALAH INSTITUTE

BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	7		642,964		648,788
Current assets					
Cash at bank and in hand		156,091		157,211	
Creditors: amounts falling due within one year	8	(8,750)		(20,850)	
Net current assets			147,341		136,361
Total assets less current liabilities			790,305		785,149
Income funds					
Unrestricted funds			790,305		785,149
			790,305		785,149

The financial statements were approved by the Trustees on 15 November 2021

Mrs Zulakha Alam
Trustee

AL FALAH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

Charity information

Al Falah Institute is a is an unincorporated association.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	1.18% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.6 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	31,427	12,494

3 Charitable activities

	Charitable Expenditure Heading 1 sofa notes 2020 £	Charitable Expenditure Heading 1 sofa notes 2019 £
Depreciation and impairment	5,824	5,824
Rates	140	228
Insurance	1,050	854
Power, light and heat	3,838	4,792
Repairs & Maintenance	12,652	2,316
Bank charge	6	5
Telephone & Fax	590	592
Computer running costs	100	-
	24,200	14,611
Share of governance costs (see note 4)	2,071	4,207
	26,271	18,818

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

4 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Accountancy	-	840	840	-	720	720
Legal and professional	-	1,231	1,231	-	3,487	3,487
	-	2,071	2,071	-	4,207	4,207
Analysed between Charitable activities	-	2,071	2,071	-	4,207	4,207

Governance costs includes payments to the accountant of £720 (2019- £720) for accountant fees.

5 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

6 Employees

The average monthly number of employees during the year was:

2020 Number	2019 Number
1	1

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

7 Tangible fixed assets

	Freehold land and buildings £
Cost	
At 1 October 2019	727,940
At 30 September 2020	727,940
Depreciation and impairment	
At 1 October 2019	79,152
Depreciation charged in the year	5,824
At 30 September 2020	84,976
Carrying amount	
At 30 September 2020	642,964
At 30 September 2019	648,788

8 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	7,310	19,410
Accruals and deferred income	1,440	1,440
	8,750	20,850

9 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).