

**AL FALAH INSTITUTE**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

# AL FALAH INSTITUTE

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mrs Mariam Tariq Mrs Zakia Khan Mrs Z Raja Mrs Saeeda Ali
<b>Charity number</b>	1131917
<b>Principal address</b>	14 Yeading Lane Hayes Middlesex United Kingdom UB4 0EX
<b>Accountants</b>	Reddy Siddiqui LLP 183-189 The Vale Acton London United Kingdom W3 7RW

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# AL FALAH INSTITUTE

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# AL FALAH INSTITUTE

## TRUSTEES REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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The Trustees present their annual report and financial statements for the year ended 30 September 2022.

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.

#### *Public benefit*

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

#### **Achievements and performance**

This year we started to come out from distant learning and reintroduced Coffee Mornings and our usual classes including Qur'an & Tafseer studies, Arabic Language & Grammar and ESOL which is accredited by Langley College. The transition was smooth, and our students were very pleased to be back in the company of their friends and learning together.

#### **Financial review**

##### *Reserves policy*

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.

##### *Major risks*

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

(Resigned 16 May 2023)

Mrs Z Raja

Mrs Saeeda Ali

#### *Recruitment and appointment of trustees*

# AL FALAH INSTITUTE

## TRUSTEES REPORT (CONTINUED)

***FOR THE YEAR ENDED 30 SEPTEMBER 2022***

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The Trustees report was approved by the Board of Trustees.

A handwritten signature in black ink, appearing to be 'Z Raja', written over a circular stamp or seal.

Mrs Z Raja  
**Trustees**

31 October 2023

# **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 2022**

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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 2022, 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 <https://www.icaew.com/regulation>.

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 deficit 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**

31 October 2023

**Chartered Accountants**

183-189 The Vale  
Acton  
London  
W3 7RW  
United Kingdom

# AL FALAH INSTITUTE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
<b>Income from:</b>							
Donations and legacies	2	40,011	716	40,727	22,156	350	22,506
Charitable activities	3	49,547	-	49,547	43,467	-	43,467
<b>Net income/(expenditure) and movement in funds</b>		(9,536)	716	(8,820)	(21,311)	350	(20,961)
<b>Reconciliation of funds:</b>							
Fund balances at 1 October 2021		768,994	350	769,344	790,305	-	790,305
<b>Fund balances at 30 September 2022</b>		759,458	1,066	760,524	768,994	350	769,344

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 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	8		637,216		644,258
<b>Current assets</b>					
Debtors	9	-		3,000	
Cash at bank and in hand		136,248		146,026	
		<u>136,248</u>		<u>149,026</u>	
<b>Creditors: amounts falling due within one year</b>	10	12,940		23,940	
		<u>12,940</u>		<u>23,940</u>	
Net current assets			123,308		125,086
<b>Total assets less current liabilities</b>			<u>760,524</u>		<u>769,344</u>
<b>The funds of the Charity</b>					
Restricted income funds	11		1,066		350
Unrestricted funds			759,458		768,994
			<u>760,524</u>		<u>769,344</u>

The financial statements were approved by the Trustees on 31 October 2023



Mrs Z Raja  
Trustee



# AL FALAH INSTITUTE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 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, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 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 or grantors 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.

# AL FALAH INSTITUTE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 1 Accounting policies

(Continued)

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 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	2% Straight Line
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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 the statement of financial activities.

#### 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.

#### 1.8 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **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.

# AL FALAH INSTITUTE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 1 Accounting policies

(Continued)

#### **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.

### 2 Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	40,011	716	40,727	22,156	350	22,506

# AL FALAH INSTITUTE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 3 Expenditure on charitable activities

	Unrestricted fund 2022 £	Unrestricted fund 2021 £
<b>Direct costs</b>		
Depreciation and impairment	15,042	14,882
Rates	191	259
Insurance	1,450	1,262
Power, light and heat	2,818	2,092
Repairs & Maintenance	639	6,160
Bank charge	-	5
Telephone & Fax	636	603
Other Charitable Expenses	28,051	17,484
	<u>48,827</u>	<u>42,747</u>
<b>Share of support and governance costs (see note 4)</b>		
Governance	720	720
	<u>49,547</u>	<u>43,467</u>
<b>Analysis by fund</b>		
Unrestricted funds	<u>49,547</u>	<u>43,467</u>

### 4 Support costs allocated to activities

	2022 £	2021 £
Governance costs	<u>720</u>	<u>720</u>
<b>Analysed between:</b>		
Unrestricted fund	<u>720</u>	<u>720</u>

### 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:

2022 Number	2021 Number
<u>1</u>	<u>1</u>

There were no employees whose annual remuneration was more than £60,000.

# AL FALAH INSTITUTE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 6 Employees (Continued)

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

### 7 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

### 8 Tangible fixed assets

Freehold land  
and buildings  
£

#### Cost

At 1 October 2021

744,115

Additions

8,000

At 30 September 2022

752,115

#### Depreciation and impairment

At 1 October 2021

99,857

Depreciation charged in the year

15,042

At 30 September 2022

114,899

#### Carrying amount

At 30 September 2022

637,216

At 30 September 2021

644,258

### 9 Debtors

#### Amounts falling due within one year:

2022  
£

2021  
£

Other debtors

-

3,000

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

2022  
£

2021  
£

Other creditors

11,500

22,500

Accruals and deferred income

1,440

1,440

12,940

23,940

# AL FALAH INSTITUTE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 11 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 October 2021	Incoming resources	At 30 September 2022
	£	£	£
	350	716	1,066
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Previous year:</b>	<b>At 1 October 2020</b>	<b>Incoming resources</b>	<b>At 30 September 2021</b>
	£	£	£
	-	350	350
	<u>          </u>	<u>          </u>	<u>          </u>

### 12 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 October 2021	Incoming resources	Resources expended	At 30 September 2022
	£	£	£	£
General funds	768,994	40,011	(49,547)	759,458
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Previous year:</b>	<b>At 1 October 2020</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>At 30 September 2021</b>
	£	£	£	£
General funds	790,305	22,156	(43,467)	768,994
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 13 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<b>Fund balances at 30 September 2022 are represented by:</b>			
Tangible assets	637,216	-	637,216
Current assets/(liabilities)	122,242	1,066	123,308
	<u>          </u>	<u>          </u>	<u>          </u>
	759,458	1,066	760,524
	<u>          </u>	<u>          </u>	<u>          </u>

# AL FALAH INSTITUTE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 13 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<b>Fund balances at 30 September 2021 are represented by:</b>			
Tangible assets	644,258	-	644,258
Current assets/(liabilities)	124,736	350	125,086
	<u>768,994</u>	<u>350</u>	<u>769,344</u>

### 14 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).