

**Charity Registration No. 1134513**

**Company Registration No. 07055355 (England and Wales)**

**YUSUF ISLAM FOUNDATION**  
**DRAFT ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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# **YUSUF ISLAM FOUNDATION**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	Mrs Fawziah Islam Mr Yusuf Islam Dr Abdulkarim Khalil Mr Shabir Randeree Mr Muhammad Yoriyos Adamos
<b>Group Chief Executive Officer</b>	Mrs Hasana Islam
<b>Charity number</b>	1134513
<b>Company number</b>	07055355
<b>Registered office</b>	The Maqam Centre Tiverton Road London NW10 3HJ
<b>Auditor</b>	AMS Accountants Corporate Limited Chartered Accountants Statutory Auditor Floor 2 9 Portland Street Manchester M1 3BE
<b>Bankers</b>	HSBC Bank UK PLC 50-52 Kilburn High Road London NW6 4HJ
<b>Investment managers</b>	Al Rayan Bank Whitechapel Branch 97-99 Whitechapel Road London E1 1DT

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# **YUSUF ISLAM FOUNDATION**

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# **YUSUF ISLAM FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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The trustees present their report and financial statements for the year ended 31 March 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 Companies Act 2006 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 the furtherance of the religion of Islam and the furtherance of Islamic Education in accordance with the teachings of the Holy Qur'an and the Sunnah of the Prophet Muhammad (peace and blessings on him). The general charitable activities of the charity are education/training, community development, the prevention or relief of poverty, religious activities, and arts/culture/heritage. These are delivered via grants to both individuals and organisations, acting as an umbrella body, and providing premises, facilities, resources and open spaces.

In order to achieve the objectives, the charity continues to allow use of its two school properties in London by Islamia Schools Limited and continues to assess the use of other assets. The charity is also continuing with the development of the Maqam Centre where the ground floor is now leased to a third party and open to the public, with the development and fit out of the upper floors to follow.

As part of the charity's activities, grants are made to individuals and institutions that share similar charitable objectives. This is subject to due diligence and in accordance with the objects of the charity.

The group funds its activities by generating income in the form of investment income (including rental income), school fees, and donations. The management structure ensures that the levels of income and expenditure are closely monitored and reported back to the trustees on at least a quarterly basis.

The charity operates a number of subsidiaries, details of which can be found in notes 1 and 17. The school operations are operated through Islamia Schools Limited, a registered charity controlled by the Yusuf Islam Foundation.

### **Public benefit**

The trustees have referred to the Charity Commission's general guidance on public benefit when delivering the aims and objectives of the charity and in planning future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives of the charity.

The Yusuf Islam Foundation scholarship scheme offers financial and public benefit to students and their families who would otherwise be unable to benefit from the high standard of education provided by the charity's schools.

The charity has established a grant making policy to achieve public benefit. The principal beneficiaries of the grant making programme are students at the educational institutions under the Foundation's umbrella. A Scholarship Board meets to review applications based on need (the applicant's financial position) and merit (a review of school reports). Scholarship awards are monitored throughout the academic year and reported on by the applicant's host school. The Maqam Centre will be a natural focus for the educational activities of the charity and a natural expression of public benefit.

The prevention or relief of poverty continues to be a key component of the charity's public benefit activities and includes mobile kitchens, food banks, breakfast clubs, emergency food relief, and water wells.



# **YUSUF ISLAM FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **Investment**

The Foundation's investment assets include five residential units in a single building, a separate maisonette, a residential unit which is presently converted into an office for administration purposes, and a property consisting of two commercial and six residential spaces. All of these are located in London. These are managed by external third party property management agents and generate rental income to fund the charitable activities of the group. In-house quarterly reports to the trustees provide updates on all of these investment assets. The trustees have also recently instructed an external independent review which will be completed for early 2023.

The trustees have considered the most appropriate policy for investing the funds of the charity. The charity holds short-term and low-risk cash investments which are included in the balance sheet of the charity as current asset investments. The charity holds longer-term investments in property.

### **Going concern**

The trustees are confident that they would be able to continue the activities of the charity in the event of a significant drop in funding. The unrestricted funds are £22m and the cash balance of the group is approximately £2.5m. However, the trustees continue to invest in and benefit from the income-generating investment properties the charity holds. The trustees note that the investment properties rely on the payment of rent from commercial and residential tenants. As part of their going concern review, the trustees have considered the likely impact of a repayment plan on future income and cashflow as agreed with one of the commercial tenants to recover outstanding rent arrears arising from the COVID-19 period.

The trustees are also aware of the benefit of future music publishing contractual opportunities available to Firecat Music Limited, its wholly-owned trading subsidiary. Maqamat Limited will have potential trading income from the Maqam Centre upon completion of the upper floors, with construction expected to commence in 2023/2024. With respect to the schools, the reduction of student numbers has been noted as a factor of the trustees' going concern assessment, but is forecast to be offset by budgetary savings on costs and additional marketing to boost student numbers. Additionally, to ease the financial burden on parents/guardians and increase the recoverability of fee income, the schools have amended their terms and conditions to allow greater flexibility to pay the fees over an extended period.

Based on a review of cashflows and forecasts covering a year from the date of this report, the trustees are satisfied that the charitable company and group is a going concern and accordingly they continue to prepare the financial statements on a going concern basis.

### **Related parties**

Transactions between related parties during the year, by virtue of shareholding or common trustees, are disclosed in the notes to the financial statements.

### **Strategic report**

The principal objectives for the year were:

- continued operations of the schools, in particular through enhanced facilities and maintaining a school improvement drive through independent reviews;
- investment in education through the scholarship programme;
- strengthening the Foundation's property investment portfolio to provide income for our charitable activities, including a wholesale review of all assets from a value and development perspective. To this end the trustees are presently working with a leading firm of architects to appraise the development potential of the property assets and have also recently instructed an external independent review as to the values and rental incomes of the investment assets;
- support of community initiatives by taking forward the development of the Maqam Centre;
- prevention or relief of poverty, including through food banks, emergency food relief, and water wells.

The Yusuf Islam Foundation Group has committed significant funds to the running of its highly successful secondary schools in London, through its subsidiary Islamia Schools Limited. The effective running of Islamia Girls School and Brondesbury College has ensured that both schools remain among the most academically successful educational institutions in London. The activities of the charity provided for some 216 students across both secondary schools.

# **YUSUF ISLAM FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2022***

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### **Achievements and performance**

COVID-19 had an impact on the delivery of education during the year. The charity, together with its subsidiary, Islamia Schools Limited, adapted its systems as necessary so that the schools were able to continue to offer lessons to all students as per the regular timetable. Both secondary schools are now presently running as normal.

The most recent GCSE results show that, once again, both the secondary schools have performed excellently. The Brondesbury College results were the best in the past fifteen years in terms of the percentage of 9-7 grades (A\*/A). Also at Brondesbury College, 95% of students attained 5 or more 9-5 level grades. At Islamia Girls School, 100% attained 5 or more 9-4 level grades.

The Islamia Girls' School was inspected by Ofsted during the year and a report published on 12th January 2022. Thereafter, the school submitted an action plan to Ofsted to remedy any areas highlighted in the report and a subsequent visit and report by Ofsted published in October 2022 confirmed that the school meets all of the independent school standards. During this process the trustees also instructed an independent education specialist to assess the provision of education at the school which included a review of the curriculum.

As a mainstay of the Foundation's activities, scholarship grants of £47,302 (2021: £39,156) (which are provided on the basis of need and merit) continue to be awarded to students at the secondary schools.

The Foundation's Maqam Centre promises to be a landmark addition to London's multicultural landscape and is currently providing health and fitness spaces which are open to the public under the management of Swimming Nature, a local business with over twenty years' experience in the swimming and leisure industry. Attention has now turned to delivering the fit out of the upper floors which will proceed following a design review. The trustees are currently in discussions with a leading firm of architects for this purpose.

The Foundation continues to manage commercial and residential investment properties, the income from which helps to fund the Foundation's charitable activities. Managing agents have been appointed to oversee the various investment properties and conduct rent reviews on a periodic basis.

The trustees believe that they have met their objectives for the year despite the continued impact of the COVID-19 pandemic which placed a strain on the Foundation's income particular during the lockdown period where the Foundation's commercial tenants were unable to meet their monthly rental payments. Two of the commercial tenants have since brought their rent accounts up to date and a third continues to clear rent arrears according to an agreed repayment schedule. Whilst occupancy levels were good, residential rents were down during the pandemic and only now, following recent renewals and new tenancies, are rent figures beginning to re-establish themselves at pre-pandemic levels.

# **YUSUF ISLAM FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **Financial review**

The Statement of Financial Activities on page 12 shows a net group surplus of £241,983 (2021: £75,777). During the year under review donations were made to charitable entities who share similar charitable objects, detailed in note 9, of £570,616 (2021: £573,244). The trustees have made investments in order to provide ongoing income.

The trustees consider the state of the charity's affairs to be satisfactory.

At the year end, overall reserves totalled £22,251,809 (2021: £22,493,780), with £20,558,112 (2021: £20,536,050) relating to fixed asset balances, and £194,988 being restricted (2021: £180,935). The charity retains reserves as a contingency against operational risks and for investment in strategic projects such as the development of the Maqam Centre and refurbishment of the school properties.

The principal funding sources of the group are from investment income (including rental income), school fees paid by parents of students, and donations. Royalties paid to the subsidiary, Firecat Music Limited, are paid as advances when new publishing deals are negotiated and signed. All expenditure in the year has been on the furtherance of education and community initiatives, including relief of poverty, through spending on the school operations and development of the Maqam Centre, grants given for scholarships or donations to other charities and organisations that carry out similar activities.

The trustees have established a policy in respect of the charitable activities whereby the reserves held by the charity after taking into account the fixed asset balances should be approximately three months of expenditure, which equates to £733,404 based on the year to March 2022 results. Current reserves in the charity alone are in excess of £1.4m which are being held for the purpose of the future development of the Maqam Centre.

# **YUSUF ISLAM FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **Risk**

The trustees acknowledge their responsibility to manage the risks faced by the charity. They have identified and given due consideration to the risks to which the charity may be exposed and are satisfied that systems are in place to mitigate those risks.

With the very recent concern and threat surrounding the COVID-19 pandemic, the charity will need to include this new concern in its future financial planning given the potential impact it could have on the various streams of income particularly through its investment properties.

The trustees have obtained an estimated valuation of the investment properties to assess any potential impact on the values held in the accounts and are satisfied that the value held in the accounts does not require any adjustments. Nevertheless, a fresh independent review has been instructed for early 2023.

At the date of signing no significant issues have impacted the rental income from the residential investment properties. Two of the commercial tenants have, since the lockdowns, brought their rent accounts up to date and a third continues to clear rent arrears according to an agreed repayment schedule. Whilst occupancy levels were good, residential rents were down during the pandemic and only now, following recent renewals and new tenancies, are rent figures beginning to re-establish themselves at pre-pandemic levels.

To ease any financial burden on parents/guardians, the schools amended their fees terms and conditions to allow greater flexibility to pay the fees over an extended period.

## YUSUF ISLAM FOUNDATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2022

A risk register and investment policy is in place with the principal risks being:

Area of Risk	Potential Risk	Mitigation/Treatment
Health and Safety (H&S) obligations & responsibilities for residential & commercial tenants and schools	Fires & any other building and property service related fault	Appoint a dedicated full time Property Manager / Property Management Agent to manage the complete property portfolio. A job specification has been prepared.
Investment Properties Income	Downturn in rental income generation	Employing the services of a Property Management Agent to ensure that investment properties are fully occupied and that rents received are at least at market/budgeted rates.
Student Fee Income	A significant reduction in student intake impacting on school fee income	A concerted programme of media advertising and open days to attract students to our schools.  Assess the fees charged and work on a projected forecast which covers a 5-year period
Investment Property Values	Downturn in the property market affecting investment property values	By looking to broaden the investment portfolio

#### Plans for future periods

A review of the charity's structure continued during the year and is ongoing as is a review of the internal reporting systems. Interviews were recently held for a new senior management position with an appointment yet to be confirmed. The trustees are also looking to co-opt additional experts from various fields (including property and education). The charity is continuing the work of developing the Maqam Centre with the opening of the ground floor having already taken place. Following the opening of all floors of the Maqam Centre it is expected to be a very busy and exciting period in the delivery of the charity's activities. Funds are currently required to complete the upper floors and fundraising is planned for that purpose. The trustees are presently working with a leading firm of architects to appraise the development potential of various property assets. Other future activities include the continued operations of the schools, including further enhancement and expansion of the facilities on the main purpose built school site on Salusbury Road NW6, enlarging our scholarship programme and working in co-operation with other charities for the public benefit. The charity will also continue with activities relating to the prevention or relief of poverty.

# **YUSUF ISLAM FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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

The charity is a company limited by guarantee and incorporated under the Companies Act 2006. The company's governing document is its Articles of Association. Yusuf Islam Foundation is the parent entity of the group. Its subsidiaries are: Islamia Schools Limited (Charity no. 1134516. Company no. 07055378), Firecat Music Limited (Company no. 01822129), formally known as Salafa, and Maqamat Limited (Company no. 07183033).

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs Fawziah Islam

Mr Yusuf Islam

Dr Abdulkarim Khalil

Mr Shabir Randeree

Mr Muhammad Yoriyos Adamos

The trustees are in regular communication and meet to discuss delivery of the objectives and strategic matters of the charity. A management structure is in place to provide controls and ensure the efficient and successful running of the charity. The trustees may appoint by ordinary resolution a person who is willing and eligible to be a trustee. Trustee vacancies are usually filled by carrying out a skills audit to ensure diversity and highlight the qualities and skills the charity needs. All members of the company are entitled to receive notice of any resolution to be put to a general meeting to appoint a trustee.

Trustees maintain a good working knowledge of charity and company law and best practice. Trustees are provided with training in order to carry out their duties to the best of their abilities and in the best interests of the charity. Training and induction is provided on an ad hoc basis for all trustees as necessary. An information pack was issued to each trustee containing internal reports, the latest Charity Commission guidance on a range of matters as well as updated editions of the charity's policies. This pack is routinely updated with new guidance.

During the year, responsibility for managing external relationships, new initiatives, and for managing governance and relationships with the board formed part of the responsibility of the Group Chief Executive Officer which was then, at the end of 2021, transferred to the Executive Director. The management structure ensures that the levels of income and expenditure are closely monitored and reported back to the trustees on at least a quarterly basis. A Scholarship Funding Board meets at least once a year to approve scholarship applications.

Professional development during the year at trustee and senior management level was maintained to keep up to date with the latest legislation and developments in the charity and education sectors. The Foundation's senior managers are appraised by trustees who are not involved in the day to day running of the organisation. The schools Headteacher continues to be appraised by independent external advisers.

The Foundation is constantly reviewing its policies and procedures and has continued to work with advisers during the year and also benefits from internal assessments, including self-assessments.

### **Key management remuneration**

All key personnel is determined with reference to publicly available data. The former CEO and the Executive Director were and are remunerated through the Yusuf Islam Foundation.



# **YUSUF ISLAM FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **Statement of trustees' responsibilities**

The trustees, who are also the directors of Yusuf Islam Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law 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, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- 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 adequate 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 Companies Act 2006. 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.

### **Auditor**

In accordance with the company's articles, a resolution proposing that AMS Accountants Corporate Limited be reappointed as auditor of the company will be put at a General Meeting

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

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.



**Mrs Fawziah Islam**

Trustee

Dated: 14<sup>th</sup> December 2022

# **YUSUF ISLAM FOUNDATION**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE TRUSTEES OF YUSUF ISLAM FOUNDATION**

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#### **Opinion**

We have audited the financial statements of Yusuf Islam Foundation (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 FRS 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 charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, 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 Companies Act 2006.

#### **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 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 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 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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.



# **YUSUF ISLAM FOUNDATION**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF YUSUF ISLAM FOUNDATION**

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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

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.

# YUSUF ISLAM FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF YUSUF ISLAM FOUNDATION

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A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Other matters

The prior year financial statements were audited by Deloitte LLP and an unqualified opinion was issued.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Clegg BFP FCA (Senior Statutory Auditor)  
for and on behalf of AMS Accountants Corporate Ltd

14 December 2022

Chartered Accountants  
Statutory Auditor

Floor 2  
9 Portland Street  
Manchester  
M1 3BE

# YUSUF ISLAM FOUNDATION

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2022**

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
<b><u>Income and endowments from:</u></b>							
Donations and legacies	3	407,730	14,054	421,784	533,091	282,497	815,588
Charitable activities	4	1,600,632	-	1,600,632	1,622,333	-	1,622,333
Other trading activities	5	124,524	-	124,524	-	-	-
Investments	6	384,971	-	384,971	412,494	-	412,494
Other income	7	70	-	70	88,269	-	88,269
<b>Total income</b>		<b>2,517,927</b>	<b>14,054</b>	<b>2,531,981</b>	<b>2,656,187</b>	<b>282,497</b>	<b>2,938,684</b>
<b><u>Expenditure on:</u></b>							
Raising funds	8	(244,468)	-	(244,468)	(165,126)	-	(165,126)
Charitable activities	9	(2,529,496)	-	(2,529,496)	(2,578,804)	(69,573)	(2,648,377)
<b>Total resources expended</b>		<b>(2,773,694)</b>	<b>-</b>	<b>(2,773,964)</b>	<b>(2,743,930)</b>	<b>(69,573)</b>	<b>(2,813,503)</b>
Net gains/(losses) on investments	16	-	-	-	(200,958)	-	(200,958)
<b>Net (outgoing)/incoming resources before</b>		<b>(256,037)</b>	<b>14,054</b>	<b>(241,983)</b>	<b>(288,701)</b>	<b>212,924</b>	<b>(75,777)</b>
Gross transfers between funds		-	-	-	110,026	(110,026)	-
<b>Net (expenditure)/income for the year/</b>							
<b>Net movement in funds</b>		<b>(256,037)</b>	<b>14,054</b>	<b>(241,983)</b>	<b>(178,675)</b>	<b>102,898</b>	<b>(75,777)</b>
Fund balances brought forward		22,312,846	180,934	22,493,780	22,491,520	78,037	22,569,557
<b>Fund balances carried forward</b>		<b>22,056,809</b>	<b>194,988</b>	<b>22,251,797</b>	<b>22,312,845</b>	<b>180,935</b>	<b>22,493,780</b>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# YUSUF ISLAM FOUNDATION

## BALANCE SHEET

AS AT 31 MARCH 2022

		Group		Charity	
	Notes	2022 £	2021 £	2022 £	2021 £
<b>Fixed assets</b>					
Tangible fixed assets	15	13,578,112	13,556,050	13,674,156	13,657,662
Investment properties	16	6,980,000	6,980,000	6,980,000	6,980,000
Investments	17	-	-	200	200
		<u>20,558,112</u>	<u>20,536,050</u>	<u>20,654,356</u>	<u>20,637,862</u>
<b>Current assets</b>					
Stock	18	29,532	29,532	29,532	29,532
Debtors	19	382,782	604,982	168,340	312,604
Cash at bank and in hand		2,527,843	2,572,338	1,690,519	1,636,468
		<u>2,940,157</u>	<u>3,206,852</u>	<u>1,888,391</u>	<u>1,978,601</u>
<b>Creditors: amounts falling due within one year</b>	20	(1,142,472)	(1,184,772)	(415,074)	(235,579)
		<u>1,797,685</u>	<u>2,022,080</u>	<u>1,473,317</u>	<u>1,743,022</u>
<b>Net current assets</b>					
<b>Total assets less current liabilities</b>		22,355,797	22,558,130	22,127,673	22,380,884
<b>Creditors: amounts falling due after more than one year</b>	21	(104,000)	(64,350)	-	-
<b>Net assets</b>		<u>22,251,797</u>	<u>22,493,780</u>	<u>22,127,673</u>	<u>22,380,884</u>
<b>Income funds</b>					
Restricted funds		194,988	180,935	173,690	159,636
Unrestricted funds		22,056,809	22,312,845	22,953,983	22,221,248
<b>Net assets</b>		<u>22,251,797</u>	<u>22,493,780</u>	<u>22,127,673</u>	<u>22,505,355</u>

The income and deficit of the parent charity for the year for Companies Act purposes is £857,946 and £246,597 deficit respectively (2021: £1,323,612 and £127,773 deficit). As permitted by Section 408 of the Companies Act 2006, no separate statement of financial activities is presented in respect of the parent charity.

The financial statements were approved by the Trustees on 14<sup>th</sup> December 2022



Mrs Fawziah Islam  
Trustee

Company Registration No. 07055355

# YUSUF ISLAM FOUNDATION

## STATEMENT OF CONSOLIDATED CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	26		(387,967)		(687,888)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(41,501)		(134,515)	
Purchase of stock		-			
Investment income received		384,973		412,494	
<b>Net cash generated from investing activities</b>			343,470		277,979
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(44,497)		(409,909)
Cash and cash equivalents at beginning of year			2,572,338		2,982,247
<b>Cash and cash equivalents at end of year</b>			2,527,843		2,572,338

# **YUSUF ISLAM FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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#### **1 Accounting policies**

##### **Charity information**

Yusuf Islam Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is The Maqam Centre, Tiverton Road, London, NW10 3HJ. There are currently five trustees who are also the members of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £10.

##### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 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.

The trustees are confident that they would be able to continue the activities of the charity in the event of a significant drop in funding due to the level of unrestricted reserves and free cash reserves. For further information, please see consideration of going concern in the trustees' report. Based on a review of cash flows and forecasts covering a year from the date of signing, the trustees are satisfied that the charitable company and group is a going concern and accordingly they continue to prepare the financial statements on a going concern basis.

##### **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.

##### **1.4 Income**

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.

# YUSUF ISLAM FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

Investment income relates to rental income received in respect of the charity's investment properties and also interest receivable generated from the charity's cash investments.

Deferred income is recognised and released on a proportioned basis, calculated by reference to the proportion of school fees invoiced in advance.

Charitable activities relate to school fees receivable by Islamia Schools Limited, in respect of the two schools run by that charity being Islamia Girls' School and Brondesbury College for boys, based in Queens Park and Brondesbury Park, London respectively.

Other trading activities relate to the receipt of royalties by the charity's subsidiary, Firecat Music Limited, income from funds transferred from unincorporated entities for the furtherance of charitable activities, and other income.

#### 1.5 Expenditure

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

Expenditure on charitable activities includes:

Grant funding of activities is recognised on the basis that the charity has an obligation, when transfer of the funding is probable and the amount of the obligation can be measured or estimated reliably. Grants are made at the discretion of the trustees on a case-by-case basis.

Activities undertaken directly relate to directly attributable costs in pursuance of the charity's objectives and an allocation of support costs. Support costs are allocated in line with the basis that they relate to the charitable activities of the charity but are not directly related to the income generated from such activities. The vast majority of support costs comprise teaching and administration salaries.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the trusts programmed and activities. These costs have been allocated between cost of teaching, promotional work and expenditure on community centre activities. The bases on which support costs have been allocated are set out in the notes to the financial statements. No support costs are allocated to fundraising or grant making on the grounds of materiality.

Governance costs are included in support costs and relate to accountancy, audit, legal and professional advice provided to the group.

Expenditure on raising funds relates to professional income payable and royalties payable by the charity's subsidiary, Firecat Music Limited, and are recognised on an accruals basis. Also included are maintenance costs relating to property investment income.

#### 1.6 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	Not depreciated
Leasehold land and buildings	Not depreciated
Fixtures and fittings	20% straight line
Motor vehicles	20% straight line

# **YUSUF ISLAM FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2022**

---

#### **1 Accounting policies**

Freehold land and assets in the course of construction are not depreciated.

Land and buildings are stated in the accounts at cost. The trustees consider that the useful economic life of these buildings is sufficiently long and the market value in excess of cost. Accordingly, the trustees are satisfied that no depreciation needed to be charged in the accounts against the value of the buildings as 95% of the value relates to land and therefore the depreciation charge would be immaterial.

The Maqam Centre, London, NW10 has been classed as an asset in the course of construction to more clearly show its current stage of development. Construction Costs have taken place on the centre this year and the ground floor facilities opened during the final quarter of 2019 on a short term lease, although construction works continued around the facility. The trustees are satisfied that no adjustment for depreciation, impairment of valuation is needed until the centre is complete.

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.

The Maqam Centre, London, NW10 has been classed as an asset in the course of construction to more clearly show its current stage of development. Construction cost have taken place on the Centre in the current year and prior year, the ground floor facilities opened during the final quarter of 2019 on a short term lease, although construction works continue around the facility. The trustees are satisfied that no adjustment for depreciation, impairment or valuation is needed until the Centre is complete.

#### **1.7 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

#### **1.8 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).

#### **1.9 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### **1.10 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.



# YUSUF ISLAM FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### 1.11 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.

##### *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.

##### 1.12 Taxation

The parent company is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (Chapters 2 and 3 or part ii, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

##### 1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# YUSUF ISLAM FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 1 Accounting policies

##### 1.15 Basis of consolidation

The trading activities of the charity's wholly owned subsidiary, Firecat Music Limited, are incorporated in these accounts and consolidated on a line-by-line basis. Firecat Music Limited's results relate to the accounting period up to 31 March 2022.

The activities of the trading subsidiary, Maqamat Limited, are incorporated in the accounts and consolidated on a line-by-line basis. Maqamat Limited's results relate to the accounting period up to 31 March 2022.

The trading activities of the charity's wholly owned subsidiary, Islamia Schools Limited, are incorporated in these accounts and consolidated on a line-by-line basis. Islamia Schools Limited results relate to the accounting period up to 31 March 2022.

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### Critical judgements

##### Fair value of investment properties

The trustees engage a Chartered Surveyor to carry out a valuation of investment properties held by the charity at regular intervals. During the interim periods, the trustees review rent yields in consultation with the charity's property manager to ensure that fair value has remained consistent with prior years.

The Maqam Centre is currently held as an asset under construction. Upon completion of the on-going development, when the centre comes into full operation, it will be transferred to investment property status.

The trustees do not consider there are any other critical judgements or sources of estimation uncertainty requiring disclosure.

#### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	407,730	14,054	421,784	533,091	282,497	815,588

**YUSUF ISLAM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**4 Charitable activities**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
School fees receivable	<u>1,600,632</u>	<u>1,622,333</u>

**5 Other trading activities**

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Publishing royalties	<u>124,524</u>	<u>-</u>
	<u>124,524</u>	<u>-</u>

**6 Investments**

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Rental income	371,984	393,460
Investment income	<u>12,987</u>	<u>19,034</u>
	<u>384,971</u>	<u>412,494</u>

**7 Other income**

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Government grants	-	35,000
Coronavirus job retention scheme grants	-	52,736
Sundry income	<u>70</u>	<u>533</u>
	<u>70</u>	<u>-</u>

# YUSUF ISLAM FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 8 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Raising donations	-	35,473
<u>Trading costs</u>		
Music publishing trading costs	93,393	61,616
Property trading costs	66,203	46,332
Trading costs	159,596	61,616
Investment management costs	84,872	103,510
	<u>244,468</u>	<u>165,126</u>

### 9 Charitable activities

	Activities undertaken directly	Activities undertaken directly
	2022	2021
	£	£
Teaching	1,295,655	1,433,355
Promotional work	570,616	573,244
Community centre	1,732	34,909
Other	359,962	301,857
	<u>2,648,377</u>	<u>2,648,377</u>
Share of support costs (see note 10)	184,698	215,276
Share of governance costs (see note 10)	116,834	89,736
	<u>301,532</u>	<u>305,012</u>
<b>Analysis by fund</b>		
Unrestricted funds	2,529,497	2,578,804
Restricted funds	-	69,573
	<u>2,529,497</u>	<u>2,648,377</u>

# YUSUF ISLAM FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 10 Support & Governance costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Teaching	55,008	10,723	65,731	57,115	34,245	91,360
Promotional work	117,075	36,516	153,591	147,926	3,073	150,999
Community Centre	4,500	-	4,500	4,500	-	4,500
Other	8,115	69,594	77,709	5,735	50,272	55,980
	<u>184,698</u>	<u>116,833</u>	<u>301,531</u>	<u>215,726</u>	<u>89,763</u>	<u>305,012</u>

Governance costs relate to legal, audit and accountancy work. Operational costs include utilities, teaching resources, office costs, repairs and maintenance as well as depreciation.

### 11 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditor and associates:	2022	2021
	£	£
Audit of the charity's annual accounts	13,250	13,250
Other services to the group		
- the audit of the charity's subsidiaries	12,750	12,750
Total audit fees	<u>26,000</u>	<u>26,000</u>
Non-audit services		
Taxation compliance services	1,500	1,500

### 12 Trustees

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

# YUSUF ISLAM FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 13 Employees

The average monthly number of employees during the year was:

	Group 2022 Number	2021 Number	Charity 2022 Number	2021 Number
Teaching staff	30	32	-	-
Support staff	10	10	-	-
Management	4	5	4	5
Security	3	3	-	-
	<u>47</u>	<u>50</u>	<u>5</u>	<u>4</u>

Employment costs	Group 2022 £	2021 £	Charity 2022 £	2021 £
Wages and salaries	1,171,461	1,290,675	147,360	243,500
Social security costs	93,820	108,879	13,019	23,542
Other pension costs	30,374	33,801	4,635	7,393
	<u>1,295,655</u>	<u>1,433,355</u>	<u>165,014</u>	<u>274,435</u>

14 The number of employees whose annual remuneration was over £60,000 during the year was 0 (1 - 2021).

**FOR THE YEAR ENDED 31 MARCH 2022**

- 24 -

# YUSUF ISLAM FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 16 Investment property

	2022 £
Fair value	
At 1 April 2021 and 31 March 2022	<u>6,980,000</u>

Investment property comprises freehold and leasehold land and buildings. Investment property is stated at fair value based on the last valuation carried out in November 2021 by a FRICS qualified surveyor on an open market basis by reference to market evidence of similar property valuations.

Between valuations the Trustees review the properties for indicators of impairment or significant increase in value based on property indices. The next independent valuation will be undertaken in 2026.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2022 £	2021 £
Cost	6,762,078	6,762,078
Accumulated depreciation	-	-
Carrying amount	<u>6,762,078</u>	<u>6,762,078</u>

#### 17 Fixed asset investments

	Group 2022 £	2021 £	Charity 2022 £	2021 £
Investments in subsidiaries	-	-	200	200
	<u>-</u>	<u>-</u>	<u>200</u>	<u>200</u>

Details of the company's subsidiaries at 31 March 2022 are as follows, all subsidiaries are held at cost:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Maqamat Ltd	131b Salusbury Road, London, NW6 6RG	Ordinary	100.00
Firecat Music Ltd	131b Salusbury Road, London, NW6 6RG	Ordinary	100.00
Islamia Schools Ltd	131b Salusbury Road, London, NW6 6RG	Ordinary	100.00

#### 18 Stocks

	Group 2022 £	2021 £	Charity 2022 £	2021 £
Finished goods and goods for resale	<u>29,532</u>	<u>29,532</u>	<u>29,532</u>	<u>29,532</u>



# YUSUF ISLAM FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 19 Debtors

	Group 2022	2021	Charity 2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	333,420	436,295	64,038	106,285
Amounts owed by subsidiary undertakings	-	-	67,606	61,385
Other debtors	20,071	99,753	10,753	2,003
Prepayments and accrued income	29,291	68,934	25,943	142,928
	<u>382,782</u>	<u>604,982</u>	<u>168,340</u>	<u>312,601</u>

# YUSUF ISLAM FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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

	Group 2022 £	2021 £	Charity 2022 £	2021 £
Other taxation and social security	34,614	29,973	9,921	13,007
Trade creditors	99,790	107,873	40,349	38,280
Other creditors	262,584	264,866	64,451	64,444
Accruals and deferred income	745,484	782,060	65,230	86,948
Amounts owed to subsidiary undertakings	-	-	235,121	32,900
	<u>1,142,472</u>	<u>1,184,772</u>	<u>415,702</u>	<u>235,579</u>

### 21 Creditors: amounts falling due after more than one year

	Group 2022 £	2021 £	Charity 2022 £	2021 £
Student refundable deposits	<u>104,000</u>	<u>64,350</u>	<u>-</u>	<u>-</u>

### 23 Retirement benefit schemes

#### Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £30,374 (2021 - £38,801).

### 24 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	13,578,112	-	13,578,112	13,556,050	-	13,556,050
Investment properties	6,980,000	-	6,980,000	6,980,000	-	6,980,000
Current assets/(liabilities)	1,602,697	194,988	1,797,685	1,841,145	180,935	2,022,080
Long term liabilities	(104,000)	-	(104,000)	(64,350)	-	(64,350)
	<u>20,056,809</u>	<u>194,988</u>	<u>22,251,797</u>	<u>22,312,845</u>	<u>180,935</u>	<u>22,493,780</u>

# YUSUF ISLAM FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 25 Related party transactions

Firecat Music Limited (a subsidiary of Yusuf Islam Foundation) owed Y Islam £93,392 (2021: £0) at the balance sheet date. The amount is interest free and unsecured.

By virtue of common directors, Cat Music Limited is a related party of Firecat Music Limited (a subsidiary of Yusuf Islam Foundation). During the year a management charge was made by Cat Music Limited for the provision of services, leaving a balance owed to Cat Music Limited of £67,794.69 (2021: £56,595). The balance is interest free and unsecured.

All transactions between the charity and its subsidiaries, Islamia Schools Ltd, Maqamat Ltd and Firecat Music Limited are eliminated on consolidation and the charity has taken the exemption provided by FRS 102 section 33 not to disclose group transaction with wholly owned subsidiaries.

26 Cash generated from operations	2022 £	2021 £
Surplus/(deficit) for the year	(241,983)	(75,777)
Adjustments for:		
Investment income recognised in statement of financial activities	(384,971)	(412,494)
Depreciation and impairment of tangible fixed assets	19,437	20,126
Fair value gains and losses on investments	-	200,958
Movements in working capital:		
(Increase) in stocks	-	(534)
(Increase)/decrease in debtors	298,239	(483,615)
Increase in creditors	(78,689)	63,448
Cash absorbed by operations	(387,967)	(687,888)
27 Analysis of changes in net funds		
The charity had no debt during the year.		