

Charity registration number 1134516

Company registration number 07055378 (England and Wales)

**ISLAMIA SCHOOLS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# ISLAMIA SCHOOLS LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Miss Aminah Islam Mrs Fawziah Islam Miss Asmaa Georgiou
<b>Charity number</b>	1134516
<b>Company number</b>	07055378
<b>Registered office</b>	131b Salusbury Road London NW6 6RG
<b>Auditor</b>	AMS Accountants Corporate Ltd Chartered Accountants Floor 2 9 Portland Street Manchester M1 3BE

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# ISLAMIA SCHOOLS LIMITED

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# ISLAMIA SCHOOLS LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2023

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The trustees, who are also directors of the charitable company, present their annual report on the affairs of the charity, together with the financial statements and auditor's report for the year ended 31 March 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2019. The Trustees' report (also the Directors' report) has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The trustees have taken an exemption from preparing a strategic report as the company is small.

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.

Islamia Schools Limited runs two secondary schools in the London Borough of Brent - Islamia Girls' School and Brondesbury College. The main objective for the year was the continued operation of the secondary schools and investment in education. In addition, and for public benefit, scholarship grants were awarded to students on a needs basis to deserving individuals through the parent charity, the Yusuf Islam Foundation.

Both secondary schools are well established and are consistently rated among the very best in the Borough and in London. The schools provide education of the highest standard and nurture students who are responsible individuals and citizens. The charity's activities are dedicated to students' academic, spiritual, moral, social, and cultural development, and the charity considers the delivery and success of these activities to be for the public benefit.

#### **Grant Making Policy**

The principal funding source is from school fees followed by donations and other income from individuals and organisations. This income has allowed the charity to continue to provide the high quality education offered at the schools. Grants are offered to the most deserving students by way of scholarships where a family would otherwise be unable to afford the fees. Applications from parents are reviewed by a scholarship funding board, which includes at least one trustee. The principal beneficiaries of our grant-making programme are students at the educational institutions under the charity's wing. Scholarship awards are monitored throughout the academic year and reported on by the applicant's host school. Subject to the availability of funds, there is no upper limit on the number of grants awarded each year.

#### **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 charity's scholarship grants offer financial and public benefit to students and their families who would otherwise be unable to benefit from the high standard of education provided by our schools. The charity has established its grant making policy to achieve its objects for the public benefit.

The charity's activities are dedicated to students' academic, spiritual, moral, social, and cultural development, and the charity considers the success of these activities to be for the public benefit.

# ISLAMIA SCHOOLS LIMITED

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

### FOR THE YEAR ENDED 31 MARCH 2023

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#### Achievements and performance

##### *Significant activities and achievements against objectives*

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 most recent GCSE results show that, once again, both the secondary schools have performed excellently. 100% of students at Islamia Girls School attained five or more 9 to 4 grades and 88% of students at Brondesbury College achieved five or more 9 to 5 grades. To explain: the bottom of grade 7 is comparable to the bottom of the old GCSE grade A, and the bottom of a new grade 4 is comparable to the bottom of the old GCSE grade C.

#### Financial review

At the balance sheet date, the charity had net assets of £214,408 (2022: £409,762). The trustees consider the financial performance of the charity during the year to be satisfactory. The objective is for the charity and its school operations to be self-sufficient whilst maintaining a comfortable reserve for unforeseen circumstances.

It is the policy of the charity that unrestricted funds that have not been designated for a specific purpose should be maintained at a level sufficient for three months of expenditure £469,901 (2022: £412,233) to enable the day-to-day activities of the charity.

At the balance sheet date, the charity held reserves of £214,408 (2022: £409,762) of which £193,109 (2022: £388,463) were unrestricted. The charity will seek further funding from its parent company if necessary should the reserves fall below required levels.

#### Major risks

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 exposure to those risks. The principal risks are a significant reduction in student admissions which would directly impact on fee income, the school buildings becoming uninhabitable (e.g. due to damage) and a reduction in scholarship grants from the Yusuf Islam Foundation. These risks are managed through a concerted programme of media advertising and open days to attract students to our schools. Regular independent fire and risk assessments are carried out of the premises and a disaster recovery plan would be put into effect in the event the buildings become unavailable so that tuition can continue elsewhere and this is also mitigated by regular maintenance/ repairs. Trustees are also mindful of the sector's regulatory inspections environment and have implemented regular, independent reviews of its education operations to ensure compliance and best-practice adoption.

#### Plans for the Future

The trustees aim to maintain an ambitious yet affordable level of investment in Islamia Girls' School and Brondesbury College to enhance and expand the school facilities. School development plans for each school inform the next three academic years of progress. Both schools will be supported by an independent school improvement adviser in preparation for the next school inspections. The trustees have set the schools challenging targets in terms of the performance management objectives for all teachers and students' achievements. Trustees are also assessing the ways in which the charity and schools are achieving value for money in terms of operational efficiency and the best possible outcomes for students. The parent entity, Yusuf Islam Foundation, continued to pursue plans and proposals during the year from architects for the development and consolidation of the school buildings. Discussions are presently ongoing with the architects and an initial feasibility study has been prepared.

#### Going Concern

The trustees have reviewed forecasts of student numbers and cashflows and considered budgets for a period of at least twelve months from the date of approval of these financial statements.

Trustees believe the charity has sufficient resources to continue to operate for a period of twelve months from the signing date of these accounts and so have adopted the going concern assumption.

# ISLAMIA SCHOOLS LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2023

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### Structure, governance and management

The charity is a company limited by guarantee and incorporated under the Companies Act 2006. The charity's governing documents are its Articles of Association. For the purposes of these accounts, all references will be made to the entity as a charity although it is also a company. The parent company of Islamia Schools Limited is the Yusuf Islam Foundation (Company Registration number: 07055355 and Charity Registration number 1134513) where the Foundation works to promote the furtherance of education through charitable projects and activities.

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:

Miss Aminah Islam

Mrs Fawziah Islam

Miss Asmaa Georgiou

### Recruitment and appointment of trustees

The trustees are in regular communication and meet to discuss the objectives and day-to-day issues of the charity. A management and leadership structure is in place to provide controls and ensure the efficient and successful running of the charity. It is considered that at present the Board of Trustees has sufficient expertise and competence to govern the charity. The charity may appoint additional trustees by ordinary resolution. Members of the company are entitled to receive notice of any resolution to be put to a general meeting to appoint a trustee. Any additional trustees, appointed in accordance with the Articles of Association, will be appointed if they are considered to add value to the existing skill set of the body of trustees. As a matter of routine, all trustees are checked through the Disclosure and Barring Service (DBS) which includes the Barred from Management Check relating to the management of an independent school. The DBS check for the Chair of Trustees, as the school proprietor, is carried out through the Department for Education.

Trustees maintain a good working knowledge of charity and company law and best practice. All 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. 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. Professional development during the year at trustee and management level has been maintained in order to keep up to date with recent changes in legislation and adopting best practice within the charity. The Charity's senior managers are appraised by trustees who are not involved in the day to day running of the organisation. School headteachers continue to be appraised by independent external advisers.

The Chair of Trustees, as part of the proprietor body, meets the headteachers on a quarterly basis (and usually more frequently as and when required). The charity submits a written report to its parent entity, the Yusuf Islam Foundation, on a quarterly basis.

During the reporting period, no changes were made to the charity's governance structure or trustees. No trustees had any beneficial interest in the charity and no remuneration or expenses of trustees was paid by the charity.

The charity is wholly owned by the Yusuf Islam Foundation, a registered charity. Yusuf Islam Foundation prepares consolidated accounts and copies may be obtained from The Maqam Centre, Tiverton Road, London NW10. The Yusuf Islam Foundation prepares consolidated accounts for the largest and smallest of the group of undertakings.

### Key Management Personnel Pay

The charity takes a responsible position on pay. The remuneration of all key personnel is determined with reference to publicly available data. The former CEO was remunerated through the parent charity, the Yusuf Islam Foundation.

# ISLAMIA SCHOOLS LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### Statement of trustees' responsibilities

The trustees, who are also the directors of Islamia Schools Limited 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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



Miss Asmaa Georgiou  
Trustee

Date: 22/11/2023

# ISLAMIA SCHOOLS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ISLAMIA SCHOOLS LIMITED

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#### Opinion

We have audited the financial statements of Islamia Schools Limited (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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

The trustees have reviewed forecasts of student numbers and cashflows and considered budgets for a period of at least twelve months from the date of approval of these financial statements. Consideration has been given to the fact that the schools rely on the payment of fees from families who could potentially be faced with a real impact on the loss of their jobs and/or their livelihood over time. 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. The schools are now implementing cost saving measures by utilising human and teaching resources between both schools and seeking to renegotiate contractual deals with regular suppliers. Additionally, to facilitate in easing the financial burden on parents/guardians and increase the recoverability of fee income and cash, the schools amended the terms and conditions to allow greater flexibility to pay the fees over an extended period. In the event that future cashflow projections show potential restraints, the charity will seek to obtain additional funding through fundraising initiatives from the parent and the founder; however, the trustees are confident that the measures taken so far will not require them to do so.

On this basis, they believe the charitable company has sufficient resources to continue to operate for a period of twelve months from the signing date of these accounts and so have adopted the going concern assumption.

#### 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.



# ISLAMIA SCHOOLS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ISLAMIA SCHOOLS LIMITED

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

### 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 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## ISLAMIA SCHOOLS LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ISLAMIA SCHOOLS LIMITED

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We gained an understanding of the legal and regulatory framework applicable to the Charity and the industry in which it operates, drawing on our broad sector experience, and considered the risk of acts by the Charity that were contrary to these laws and regulations, including fraud. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Charity Commission, Companies Act 2006, The Independent Schools Standards and equivalent local laws and regulations.

We made enquiries of management with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information, for example, minutes of the trustee meetings, legal reports provided to the Charity and correspondence between the Charity and its solicitors. Audit procedure performed by the engagement team included:

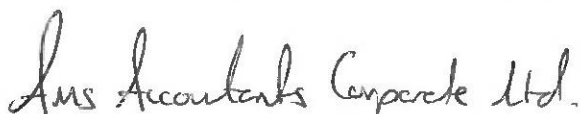
- Discussion with management, including consideration of known or suspected instances of noncompliance with laws and regulations and fraud;
- Review of financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates;

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

#### 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

22/11/2023

Chartered Accountants  
Statutory Auditor

Floor 2  
9 Portland Street  
Manchester  
M1 3BE

# ISLAMIA SCHOOLS LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
<b>Income from:</b>							
Donations and legacies	3	-	40,900	40,900	-	47,303	47,303
Charitable activities	4	1,643,351	-	1,643,351	1,656,747	-	1,656,747
Other trading activities	5	-	-	-	70	-	70
<b>Total income</b>		<u>1,643,351</u>	<u>40,900</u>	<u>1,684,251</u>	<u>1,656,817</u>	<u>47,303</u>	<u>1,704,120</u>
Charitable activities	6	<u>1,838,705</u>	<u>40,900</u>	<u>1,879,605</u>	<u>1,601,632</u>	<u>47,303</u>	<u>1,648,935</u>
<b>Net income/(expenditure) and movement in funds</b>		(195,354)	-	(195,354)	55,185	-	55,185
<b>Reconciliation of funds:</b>							
Fund balances at 1 April 2022		<u>388,463</u>	<u>21,299</u>	<u>409,762</u>	<u>333,278</u>	<u>21,299</u>	<u>354,577</u>
<b>Fund balances at 31 March 2023</b>		<u>193,109</u>	<u>21,299</u>	<u>214,408</u>	<u>388,463</u>	<u>21,299</u>	<u>409,762</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# ISLAMIA SCHOOLS LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	14		56,407		15,566
<b>Current assets</b>					
Debtors	15	252,637		449,737	
Cash at bank and in hand		844,919		836,559	
		1,097,556		1,286,296	
<b>Creditors: amounts falling due within one year</b>	16	808,255		788,100	
Net current assets			289,301		498,196
<b>Total assets less current liabilities</b>			345,708		513,762
<b>Creditors: amounts falling due after more than one year</b>	17		(131,300)		(104,000)
<b>Net assets</b>			214,408		409,762
<b>The funds of the charity</b>					
Restricted income funds	19	21,299		21,299	
Unrestricted funds		193,109		388,463	
		214,408		409,762	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the trustees on 22/11/2023.



Miss Asmaa Georgiou  
Trustee

Company registration number 07055378 (England and Wales)

# ISLAMIA SCHOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

#### Charity information

Islamia Schools Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 131b Salusbury Road, London, NW6 6RG.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, 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 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. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

As per the Trustees' report, the Trustees consider that the going concern assumption is an appropriate basis on which to prepare these financial statements.

The Trustees, having reviewed forecasts of student numbers and cash flows and considered budgets for a period of at least 12 month from the date of approval of these financial statements, believe the charity has sufficient resources to continue to operate for the foreseeable future and so have adopted the going concern assumption. As part of their review, the Trustees have considered the impact of the current consumer spending and cost of living difficulties and, along with the CEO, continue to revisit the impact on an ongoing basis. Additional information of going concern is included in the Trustees' report.

#### 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 Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations - These are received to aid the furtherance of the charitable activities of the charity.

From charitable activities - These relate to school fees receivable for the provision of educational services by The Islamia Girls' School and The Brondesbury College for Boys. Deferred income will be recognised on a proportional basis, calculated by reference to the portion of school fees invoiced in advance. Grant income is recognised as discussed above once the charity considers it has entitlement and probable receipt of that income and that the income is measurable.

# ISLAMIA SCHOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 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 obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on charitable activities include:

Costs in furtherance of charitable activities - these costs relate to directly attributable costs in pursuance of the charity's objective and an allocation of support costs.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include educational resources, back off costs, utilities, finance and governance costs which relate to strategic costs not directly attributable to charitable activities, including audit and legal advice and support of the charity's programmes and activities. These costs have been allocated to expenditure on charitable activities. Support costs are allocated based on the nature of the support cost (being governance or related to operational costs) and the area of charitable activities that they relate to; this allocation is not proportionate to the income generated from such activities. No support costs are allocated to fundraising or grant making on grounds of materiality.

Grants payable are recognised on a payable basis once the charity has provided a commitment to make charitable grant expenditure - this is normally on communication to the recipient. Grant are made at the discretion of the trustees on a case-by-case basis.

#### 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:

Fixtures, fittings & equipment	20% 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.

#### 1.7 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).

#### 1.8 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.

# ISLAMIA SCHOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 1.9 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.

#### 1.10 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.

#### 1.11 Retirement benefits

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

# ISLAMIA SCHOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 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.

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

### 3 Income from donations and legacies

	Restricted funds 2023 £	Restricted funds 2022 £
Donations and gifts	40,900	47,303

### 4 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Teaching	1,643,351	1,656,747

### 5 Income from other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Non-charitable trading activities	-	70



# ISLAMIA SCHOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 6 Charitable activities

	Grant funding 2023 £	Teaching 2023 £	Total 2023 £	Grant funding 2022 £	Teaching 2022 £	Total 2022 £
Staff costs	-	1,273,763	1,273,763	-	1,137,557	1,137,557
Depreciation and impairment	-	9,730	9,730	-	4,654	4,654
	-	1,283,493	1,283,493	-	1,142,211	1,142,211
Grant funding of activities (see note 8)	40,900	-	40,900	108,897	-	108,897
Share of support costs (see note 7)	-	478,113	478,113	-	332,096	332,096
Share of governance costs (see note 7)	-	77,099	77,099	-	65,731	65,731
	40,900	1,838,705	1,879,605	108,897	1,540,038	1,648,935
<b>Analysis by fund</b>						
Unrestricted funds	-	1,838,705	1,838,705	61,594	1,540,038	1,601,632
Restricted funds	40,900	-	40,900	47,303	-	47,303
	40,900	1,838,705	1,879,605	108,897	1,540,038	1,648,935

### 7 Description of charitable activities

Support costs include expenditure for educational resources, as well as governance and running costs of the schools.

Governance costs relate to audit, legal and professional fees.

### 8 Grants payable

	Share of support and governance costs 2023 £	Share of support and governance costs 2022 £
Grants to institutions:		
Donations to Yusuf Islam Foundation	-	61,594
Grants to individuals	40,900	47,303
	40,900	108,897

## ISLAMIA SCHOOLS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

#### 9 Grant expenditure

Support costs related to scholarship grants fall under the promotional and grant work undertaken by YIF hence only direct cost have been allocated this activity.

#### 10 Auditor's remuneration

Fees payable to the charity's auditor and associates:	2023	2022
	£	£
<b>For audit services</b>		
Audit of the financial statements of the charity	5,700	5,700

#### 11 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and also no expenses were reimbursed in either current or prior year, nor paid on behalf of trustees by the charitable company in either current or prior year.

#### 12 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Teaching staff	30	30
Administration	10	10
Security	3	3
<b>Total</b>	<b>43</b>	<b>43</b>

<b>Employment costs</b>	<b>2023</b>	<b>2022</b>
	£	£
Wages and salaries	1,136,196	1,024,830
Social security costs	108,619	86,988
Other pension costs	28,948	25,739
	<b>1,273,763</b>	<b>1,137,557</b>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023	2022
	Number	Number
£60,000 - £100,000	1	-

# ISLAMIA SCHOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 13 Taxation

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

### 14 Tangible fixed assets

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 April 2022	23,639
Additions	50,571
	<hr/>
At 31 March 2023	74,210
	<hr/>
<b>Depreciation and impairment</b>	
At 1 April 2022	8,073
Depreciation charged in the year	9,730
	<hr/>
At 31 March 2023	17,803
	<hr/>
<b>Carrying amount</b>	
At 31 March 2023	56,407
	<hr/>
At 31 March 2022	15,566
	<hr/>

### 15 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	31,055	269,381
Amount owed by parent undertaking	208,199	170,299
Other debtors	10,095	6,709
Prepayments and accrued income	3,288	3,348
	<hr/>	<hr/>
	252,637	449,737
	<hr/>	<hr/>

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

	Notes	2023 £	2022 £
Other taxation and social security		60,366	30,237
Deferred income	18	592,411	636,200
Trade creditors		20,772	57,819
Other creditors		129,006	28,791
Accruals and deferred income		5,700	35,053
		<hr/>	<hr/>
		808,255	788,100
		<hr/>	<hr/>

# ISLAMIA SCHOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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

2023	2022
£	£

Other creditors	131,300	104,000
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### 18 Deferred income

2023	2022
£	£

Other deferred income	592,411	636,200
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Deferred income is included in the financial statements as follows:

2023	2022
£	£

Deferred income is included within:

Current liabilities	592,411	636,200
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Movements in the year:

Deferred income at 1 April 2022	636,200	672,516
Released from previous periods	(43,789)	(36,316)

Deferred income at 31 March 2023	592,411	636,200
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### 19 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 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
Scholarship fund	21,299	40,900	(40,900)	21,299

Previous year:

	At 1 April 2021 £	Incoming resources £	Resources expended £	At 31 March 2022 £
	21,299	47,303	(47,303)	21,299

# ISLAMIA SCHOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 20 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 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
General funds	388,463	1,643,351	(1,838,705)	193,109
Previous year:	At 1 April 2021 £	Incoming resources £	Resources expended £	At 31 March 2022 £
General funds	333,278	1,656,817	(1,601,632)	388,463

#### 21 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<b>Fund balances at 31 March 2023 are represented by:</b>			
Tangible assets	56,407	-	56,407
Current assets/(liabilities)	268,002	21,299	289,301
Long term liabilities	(131,300)	-	(131,300)
	193,109	21,299	214,408
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<b>Fund balances at 31 March 2022 are represented by:</b>			
Tangible assets	15,566	-	15,566
Current assets/(liabilities)	476,897	21,299	498,196
Long term liabilities	(104,000)	-	(104,000)
	388,463	21,299	409,762

#### 22 Related party transactions

The company has claimed exemption from disclosing related party transactions between wholly owned members of a group under FRS 102 section 33.

Remuneration of the key management personnel is undertaken by the parent charity, the Yusuf Islam Foundation.