

**Charity Registration Number: 1134963**

**AL-MADANI EDUCATIONAL TRUST**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**AL-MADANI EDUCATIONAL TRUST**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year 1 September 2019 to 31 August 2020**

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AL-MADANI EDUCATIONAL TRUST

**TRUSTEES' ANNUAL REPORT**

**For the year 1 September 2019 to 31 August 2020**

**Reference and Administrative Information**

*Charity number:* 1134963

***Registered Office and Operational Address:***

18 Painswick Road, Gloucester, GL4 6PW

***Independent Examiner***

H.A. Bhula, 5 Howard Street, Gloucester, GL1 4UR

***Bankers***

Lloyds, Eastgate Street, Gloucester, GL1 1NU

Barclays, Southgate Street, Gloucester, GL1 1NU

***Trustees***

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

Mr Y Patel

Mr A Randera

Mr A S Patel

Mr S Patel

Mr A Patel

Mr A A Patel

## AL-MADANI EDUCATIONAL TRUST

### TRUSTEES' ANNUAL REPORT (continued)

For the year 1 September 2019 to 31 August 2020

The Board of Trustees have pleasure in presenting The Annual Report and unaudited Financial Statements of the charity for the year ended 31 August 2020.

#### Legal Status and Governance

Al-Madani Educational Trust is a registered as a charity with the Charity Commission.

The Trustees are required to act in the best interest of the Charity and its beneficiaries.

Training and information provided includes advice about the role of Trustees and Charity law.

The Trustees make no personal gain from the Charitable Company.

#### Objectives of the charity

The objectives of the charity are to provide help and support for the Muslim Community in Gloucestershire, by the provision of services not otherwise provided by the statutory bodies.

Income is applied solely towards the promotion of the objectives and no portion shall be paid or transferred directly or indirectly by way of a bonus or profit to the members.

#### Organisational Structure

The Trustees are elected for a term of three years in accordance with the constitution.

#### Financial Controls

The Trustees have overall control of the organisation's finances. The daily management of the organisation's activities is delegated to the Executive Committee.

#### Investment powers and restrictions

There are no restrictions as to where funds may be invested, but policy must be agreed by the Trustees and the Management Committee.

#### Risk Management

The Trustees review these risks on an ongoing basis and satisfy themselves that adequate systems and procedures are in place to manage the risks identified. Where appropriate, risks are covered by the organisations' insurance. The following framework is central to ensuring adequate risk management:

- Regular monitoring of major risks and development of action plans;
- Embedding risk identification and assessment within operating procedures;
- A clear structure of delegated authority and control;
- Review of key systems and procedures.

In assessing risk Trustees recognise that some areas of our work require the acceptance and management of risk if our key objectives are to be achieved.

# AL-MADANI EDUCATIONAL TRUST

## TRUSTEES' ANNUAL REPORT (continued)

For the year 1 September 2019 to 31 August 2020

### Financial Review

#### Reserves Policy

The Board has set a Reserve of Restricted Funds equivalent to at least one-month operating costs. The reserves of £121,079 (2019 £22,714) do not meet this criterion. The Trustees are of the opinion that they have guarantees of supporters to fund the running costs should they be needed.

#### Principal Funding Sources

Of the £531,715 income for the year 30% came from restricted grants, 55% from school fees and 15% from fundraising activities and donations.

More detail about income for the year and the Charity's financial position at the end of the year are shown in the Financial Statements on pages 6 to 7.

#### Principal Expenditure Items

Staff costs were £355,754 forming 82% of expenditure. As shown in the notes this was helped by the Coronavirus Job Retention Scheme Grant of £10,066. Property related costs amounted to 4% of the expenditure. The valuable time given by unpaid volunteers, including Trustees, is not quantified and not included in this figure.

The surplus for the year before gains on investments amounted to £98,365. (2019 deficit (£43,258)).

#### Responsibilities of the Board of Trustees


The Board of Trustees are required to prepare Financial Statements for each financial year that give a true and fair view of the of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those Financial Statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial accounts
- Prepare the Financial Statements on the 'going concern' basis unless it is inappropriate to presume that the company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial accounts comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the above principles in mind.

Approved by the Board of Trustees on and signed on its behalf by:

  
Mr Y Patel  
Chairman/Trustee

## REPORT OF THE INDEPENDENT EXAMINER TO THE TRUSTEES

I report on the accounts of the Trust for the year ended 31 August 2020, which are set out on pages 6 to 12.

### *Respective responsibilities of trustees and examiner*

As the charity's trustees you are responsible for the preparation of the accounts; you consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed. It is my responsibility to examine the accounts under section 145 of the Charities Act, to follow procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act and to state whether matters have come to my attention.

### *Basis of independent examiners' report*

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the Trust and a comparison of the accounts presented with those records. It also includes the consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

### *Independent examiners' report*

In connection with our examination, no material matter has come to my attention which gives me cause to believe that in any material respect:

- The accounting records were kept in accordance with section 130 of the Charities Act; or
- The accounts did not accord with the accounting records; or
- The accounts did not comply with the applicable requirements concerning the form and content of Accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



H A BHULA (FCCA)  
Chartered Certified Accountant  
5 Howard Street  
Gloucester.  
GL1 4UR

20<sup>th</sup> September 2021

AL-MADANI EDUCATIONAL TRUST

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	UNRESTRICTED FUNDS £	RESTRICTED FUNDS £	TOTAL FUNDS 2020 £	TOTAL FUNDS 2019 £
<b>INCOMING RESOURCES</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	30,424	328,983	359,407	370,418
Activities for generating funds		0	0	0	0
Investment income		8,000	0	8,000	8,000
<i>Incoming resources from charitable activities</i>					
	3	100	164,208	164,308	201,116
<b>TOTAL INCOMING RESOURCES</b>		<b>38,524</b>	<b>493,191</b>	<b>531,715</b>	<b>579,534</b>
<b>RESOURCES EXPENDED</b>					
<i>Cost of generating funds</i>					
Fundraising and trading	4	0	432,800	432,800	622,147
<i>Charitable Activities</i>					
<i>Governance costs</i>	5	550	0	550	645
<b>TOTAL RESOURCES EXPENDED</b>		<b>550</b>	<b>432,800</b>	<b>433,350</b>	<b>622,792</b>
<b>Net movement in funds</b>		<b>37,974</b>	<b>60,391</b>	<b>98,365</b>	<b>(43,258)</b>
<b>Transfer between funds</b>		-	-	-	-
<b>Reconciliation of funds</b>					
Total funds brought forward		14,964	7,750	22,714	65,972
<b>Total funds carried forward</b>	9	<b>52,938</b>	<b>68,141</b>	<b>121,079</b>	<b>22,714</b>

The Charity has no recognised gains or losses other than the results for the year as set out above.  
All the activities of the Charity are classed as continuing.

The notes on pages 8 to 12 form an integral part of these financial statements

AL-MADANI EDUCATIONAL TRUST

**CONSOLIDATED BALANCE SHEET  
AS AT 31 AUGUST 2020**

	Note	Charity 2020 £	Charity 2019 £
<b>FIXED ASSETS</b>			
Tangible assets		-	-
		<hr/>	<hr/>
		-	-
<b>CURRENT ASSETS</b>			
Debtors and prepayments	7	2,542	5,171
Cash at bank and in hand		125,641	35,852
		<hr/>	<hr/>
		<b>128,183</b>	<b>41,025</b>
<b>LIABILITIES</b>			
Creditors: amounts due within one year	8	7,104	18,309
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		121,079	22,714
<b>NET ASSETS</b>		<hr/>	<hr/>
		<b>121,079</b>	<b>22,714</b>
Financed by:			
<b>ACCUMULATED FUNDS</b>			
Unrestricted	9	52,938	14,964
Restricted	9	68,141	7,750
		<hr/>	<hr/>
<b>TOTAL CHARITY FUNDS</b>		<b>121,079</b>	<b>22,714</b>

These Financial Statements were approved by the Board of Trustees on 20<sup>th</sup> September 2021 and were signed on its behalf by:



Mr Y Patel  
Chairman/Trustee

The notes on pages 8 to 12 form an integral part of these financial statements



# AL-MADANI EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### 1-ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year, are set out below:

#### a) Basis of accounting

The financial statements have been prepared in accordance with the Charities SORP (FRSSE) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) the Financial Reporting Standard for Smaller Entities. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

#### b) Funds accounting

Funds held by the Charity are:

Unrestricted funds - these are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the Charity.

Restricted funds - these are funds that can only be used for restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for restricted purposes.

Further explanation of the nature and purpose of each fund is included in note 14 to the Financial Statements.

#### c) Incoming resources

Voluntary income including donations and grants that provide core funding or are of a general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Incoming resources from tax claims are included in the statement of financial activities at the same time as the gift to which they relate.

Investment income is recognised when receivable.

Income from charitable activities includes some recognised as earned (as the related goods or services are provided) under contract.

#### d) Resources expended

Resources expended are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds are the costs of trading for fundraising purposes.

AL-MADANI EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

1-ACCOUNTING POLICIES-(continued)

**d) Resources expended (continued)**

Charitable expenditure comprises those costs that are incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs include central functions and have been allocated to activity costs categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs include those incurred in the governance of its assets and are primarily associated with constitutional and statutory requirements.

**e) Donated goods and volunteer services**

The Charity has not received any goods for use by the Charity itself.

The value of services provided by volunteers is not incorporated into these Financial Statements.

**f) Taxation**

Al Madani is a registered Charity under the Charities Act 2011 and as such is exempt from taxation of its income and capital gains.

Tax recovered from voluntary income received under gift aid is recognised when the tax refund is received and is allocated to the income category to which the income relates.

**g) Pension**

The Trust makes contributions to the NEST pension schemes of eligible employees. This is a defined contribution scheme. A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Trust has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment. Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

AL-MADANI EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

2-VOLUNTARY INCOME

Voluntary income for the year falls into the following categories.

	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 2020	TOTAL FUNDS 2019
	£	£	£	£
<i>Fees</i>				
-Al-Ashraf Secondary	-	121,252	121,252	118,130
-Al-Ashraf Primary	-	173,259	173,259	175,731
-Al-Ashraf Nursery	-	-	-	-
<i>Gift Aid tax reclaimed</i>				
-Al-Ashraf Secondary	1,643	0	1,643	3,903
-Al-Ashraf Primary	-	-	-	-
-Al-Ashraf Nursery	-	-	-	-
<i>Appeals and Donations</i>				
-Al-Ashraf Secondary	-	34,472	34,472	28,188
-Al-Ashraf Primary	28,781	-	28,781	44,466
-Al-Ashraf Nursery	-	-	-	-
<b>Total voluntary income</b>	<b>30,424</b>	<b>328,983</b>	<b>359,407</b>	<b>370,418</b>

3-INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 2020	TOTAL FUNDS 2019
	£	£	£	£
<i>Local Authority Grants</i>				
-Al-Ashraf Secondary	-	-	-	-
-Al-Ashraf Primary	-	28,926	28,926	41,380
-Al-Ashraf Nursery	-	133,657	133,657	134,497
<i>Other Fund Raising and sundry income</i>				
-Al-Ashraf Secondary	-	1,625	1,625	5,239
-Al-Ashraf Primary	100	-	100	20,000
-Al-Ashraf Nursery	-	-	-	-
<b>Total incoming resources</b>	<b>100</b>	<b>164,208</b>	<b>164,308</b>	<b>201,116</b>

AL-MADANI EDUCATIONAL TRUST  
NOTES TO THE FINANCIAL STATEMENTS (continued)

**4-COST OF CHARITABLE ACTIVITIES**

The amount spent on charitable activities including support costs is analysed between Services and projects, as follows:

	Secondary School	Primary School	Nursery School	Unrestricted	Restricted	Total 2020	Total 2019
	£	£	£	£	£	£	£
<b>Direct costs</b>							
Employment costs	138,785	173,181	43,788	0	355,754	355,754	525,044
Property related costs	10,230	3,827	5,424	0	19,481	19,481	22,291
Repairs and maintenance	2,829	79	144	0	3,052	3,052	11,732
Training, Activities& Equipt	1816	3,561	1,008	0	6,385	6,385	12,257
Telephone	1,855	1,354	755	0	3,964	3,964	3,260
Insurance	3,745	2,162	1,312	0	7,219	7,219	6,129
Subscription and Exam Fees	3,172	997	-	0	4,169	4,169	6,184
Stationery and Books	4,593	8,684	613	0	13,890	13,890	11,532
Postage,							
Printing and Advertising	2,231	1,585	-	0	3,816	3,816	3,426
Sundries and Cleaning	2,017	7,982	5,071	0	15,070	15,070	20,292
	<b>171,273</b>	<b>203,412</b>	<b>58,115</b>	<b>0</b>	<b>432,800</b>	<b>432,800</b>	<b>622,147</b>

**5-GOVERNANCE COSTS**

The governance costs consisted of the following direct and indirect costs:

	2020	2019
	£	£
Legal and professional fees	550	645
Management salary cost	-	-
	<b>550</b>	<b>645</b>

**6-STAFF COSTS**

	2020	2019
	£	£
Total emoluments paid to employees:		
Wages & Salaries	338,977	491,037
Social Security - employers	18,832	25,844
Pension	8,011	8,163
Coronavirus Job Retention Scheme Grant	(10,066)	-
	<b>355,754</b>	<b>525,044</b>

No employee earned £60,000 or more in the current or preceding accounting year.

Trustees are not remunerated.

AL-MADANI EDUCATIONAL TRUST  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**7-DEBTORS**

	2020 £	2019 £
Prepayments and accrued income	<u>2,542</u>	<u>5,173</u>

**8-CREDITORS AND ACCRUALS: amounts falling due within 1 year**

	2020 £	2019 £
Other creditors	300	11,399
Accruals	<u>6,804</u>	<u>6,910</u>
	<u>7,104</u>	<u>18,309</u>

**9-CONSOLIDATED STATEMENT OF FUNDS**

	1 September 2019 £	Incoming £	Outgoing £	Transfer between funds £	31 August 2020 £
<b>RESTRICTED FUNDS</b>					
Al-Ashraf Secondary	7,750	157,349	171,273	6,174	-
Al-Ashraf Primary	-	202,185	203,412	1,227	-
Al-Ashraf Nursery	-	133,657	58,115	(7,401)	68,141
<b>TOTAL</b>	<u>7,750</u>	<u>493,191</u>	<u>432,800</u>	<u>-</u>	<u>68,141</u>
<b>UNRESTRICTED FUNDS</b>					
General Fund	14,964	38,524	550	-	52,938
<b>TOTAL FUNDS</b>	<u>22,714</u>	<u>531,715</u>	<u>433,350</u>	<u>-</u>	<u>121,079</u>

**10-CONTINGENT LIABILITIES**

At 31 August 2020 Al-Madani Educational Trust had no known contingent liabilities.

**11-CAPITAL COMMITMENTS**

	2020 £	2019 £
Capital expenditure that has been contracted for but has not been provided for in the Financial Statements	<u>NIL</u>	<u>NIL</u>
Capital expenditure that has been authorised by the Trustees but has not been contracted for	<u>NIL</u>	<u>NIL</u>