

THE CITY OF KNOWLEDGE ACADEMY

(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

THE CITY OF KNOWLEDGE ACADEMY

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THE CITY OF KNOWLEDGE ACADEMY

TRUSTEES'/DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their report and the audited financial statements for the year ended 31 December 2020.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), 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).

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity number:	1137342	
Company number:	07246107	
Registered office:	236 St Bernards Road Solihull B92 7BH	
Trustee Directors:	Abdul Qayum Imran Dawood Arslaan Khan	
Key Management Team:	Shaykh Mohammad Aslam Tauseef Rehman	(Chief Executive) (Programmes Manager)
Independent Examiner:	Wahid Gazge FCA Cliveden Avenue Birmingham B42 1SW	
Bankers:	Barclays Bank Plc 534 Coventry Road Birmingham B10 0UP	
Solicitors:	Arkwright Law 58 Talbot Street Nottingham NG1 5GL	

THE CITY OF KNOWLEDGE ACADEMY

TRUSTEES'/DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation, The City of Knowledge Academy (CK) is a charitable company and is also registered as a charity. The company was incorporated on 06 May 2010 (Company number 07246107) and established under a Memorandum of Association (as last updated on 10 November 2020), which established the objects and powers of the charitable company and is governed under its Articles of Association. The charity was registered with the Charity Commission on 09 August 2010, with Charity number 1137342.

Recruitment and appointment of trustees

The Board of Trustees currently consists of three members who were recruited due to their commitment and expertise. Role descriptions, where applicable, are issued to each Trustee and a full induction is given setting out the obligations of a Trustee. List of current Trustees can be found on page 3 of this document.

Organisational structure

The Charity is principally based in Birmingham but operates throughout the UK and sometimes abroad. The Trustees are responsible for the governance of the Charity, and the day-to-day management is performed by the Chief Executive, Programmes Manager and volunteers.

Trustees

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Pay and remuneration of senior staff

Levels of salary for staff are reviewed annually.

Fundraising activities

The Charity had no significant fundraising activities in the year but raised funds through voluntary donations received from regular donors as well as donations received from online giving through advertised through social media.

Political Donations

No donations of monies or donated goods were made to any political parties or political campaigns in the year (2019: £NIL).

Related parties

The Chief Executive is the son of the trustee, Abdul Qayum. The Chief Executive was paid £8,031 in the year to 31 December 2020 and £8,031 in the year to 31 December 2019, for his services to the Charity.

Key risks and uncertainties

The Trustees actively review the major risks which the Charity faces on a regular basis, in particular those relating to its operations and finances. They are satisfied that systems are in place to mitigate the charity's exposure to the major risks. The risk management strategy comprises:-

- A regular review of the risks which the Charity may face;
- The adequacy of current systems and procedures to mitigate those risks identified in the strategy; and
- Implementation of procedures designed to minimise potential risk to the Charity should any such risks materialise.

The strategy will be reviewed regularly by the Trustees.

THE CITY OF KNOWLEDGE ACADEMY

TRUSTEES'/DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

OBJECTIVES AND ACTIVITIES

The charity's objects for which the company/charity is established are to be affected anywhere in the world ('Area of Benefit'):

- To advance the religion of Islam in accordance to the mainstream Ahl-us-Sunnah Wal-al-Jamma'ah;
- To advance the education of the public through the teaching of the Islamic faith;
- The relief of poverty, sickness and distress;
- To provide recreational facilities and activities in the interests of social welfare with the object of improving conditions of life for those persons in need of such facilities;
- For any other exclusively charitable purpose, according to the laws of England and Wales, as the Trustees may, from time to time, determine.

The City of Knowledge Academy (CK) aims to advance a true understanding of Islam through disseminating the mainstream Ahl-us-Sunnah Wal-al-Jamma'ah methodology.

CK believes that all people, Muslim or not, of all ages have a right to know true Islam. The Charity places specific importance to the young generations of Muslims growing up in Birmingham and the UK generally. Providing correct teachings to them will not only advance their knowledge but also be a barrier that prevents them from corrupt and distorted tendencies.

We aim to provide traditional Islamic learning to all ages. Our policy is to use modern techniques to serve the presentation of knowledge in a friendly manner. Our conviction is that knowledge can only be truly learnt if it is 'lived'. Hence, our motto is, 'to learn it is to live it'.

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

The section of this report above entitled 'Objectives and Activities' sets out the aims and priorities of the Charity.

The Trustees have considered this matter, in conjunction with the guidance contained in the Charity Commission's general guidance on public benefit, and have concluded:

- That the aims of the Charity continue to be charitable;
- That the aims and work done give identifiable benefits to the charitable sector and both indirectly and directly to individuals in need;
- That the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay; and
- That there is no detriment or harm arising from the aims or activities.

The Board of Trustees has had due regard to the Charity Commission guidance on public benefit and has complied with the duty in section 4 of the Charities Act 2011.

THE CITY OF KNOWLEDGE ACADEMY

TRUSTEES'/DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Courses for Adults and children

Similar to last year, the charity continued to deliver a number of courses delivering face-to-face classes in over 5 cities across the UK. This was changed to online delivery via Video conferencing after the Covid-19 pandemic lockdown and restrictions began at the end of March 2020. The courses were successfully delivered by the new method and feedback from attendees was positive regarding the new online format, which allowed many participants from other cities and even countries to participate.

Retreats

The Charity continued its successful programme of making trips abroad to hold courses with large groups and managed to take a group to Jerusalem in February 2020 to visit the holy sites in Al Aqsa and in and around Jerusalem. Over 50 attendees travelled together for this course and returned safely.

Planned retreats for Easter and the Summer had to be postponed and then cancelled indefinitely as the pandemic closures and travel restrictions continued throughout 2020.

Public Talks

The Charity has a reputation for being fortunate enough to host some of the greatest teachers of our time over the years both from within the UK as well as international speakers. However, this was not possible in 2020 due to the pandemic closures and travel restrictions.

Mosque & Academy Management Project

A new project was offered and accepted by the management and Trustees of the Charity, to work in partnership with one of the largest Mosque charities in Birmingham, 'Central Jamia Mosque Ghamkol Sharif' (CJMGS), as they were restructuring the management of delivery for their charitable activities. CK had already been operating out of the Mosque's Education building since 2019 when it was given occupancy to work from there. The project, which included our Charity contracting with the Mosque, was to manage CJMGS's activities and online presence for its Mosque and Madrassah while their trustees concentrated on maintaining the buildings and assets of their charity. The partnership was deemed beneficial to both charities, as CJMGS would benefit from the good reputation of CK and its known ability to deliver engaging courses for both adults and children, in order to fulfil their objects for which they didn't believe they currently had the capacity to deliver on. Whilst the work required to be performed was in line with CK's own objects and CK would be paid for their services and it could use those funds to further its own objects and long term strategy. After a number of discussions between both parties, a contract was signed with immediate effect and commencement on 10 July 2020.

Dar ul Quran

As part of an international speakers tour, Shaykh Mohammad Aslam (Chief Executive) was invited to Turkey and saw the work of a local education and youth centre charity for Syrian refugees, which is where the refugee children get their education and it was in need of funding. CK has the charitable objects of i) advancing the Islamic religion, ii) educating the public about Islam, iii) relieving poverty, sickness and distress and iv) providing recreational facilities and activities in the interests of social welfare, anywhere in the world. This project seemed like a project which was combining all these objects and so after management and the Trustees reviewed a proposal from Dar ul Quran, it was decided to support them with grant funding and a social media fundraising campaign from October 2020 was carried out, which raised £94,563 before the end of the financial year. CK are thankful to the hundreds of donors for this project and are finalising the details of how these funds will support the organisation there and will be distributing the funds in phases throughout 2021.

Hardship grants

During the pandemic, we had a number of people who approached us for hardship grants. These applications were reviewed and where appropriate, grants were given. A total of £4,200 was distributed from general funds.

THE CITY OF KNOWLEDGE ACADEMY

TRUSTEES'/DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

REVIEW OF FINANCIAL POSITION

During the 2020 financial year, the Charity delivered a financial surplus of £147,568 (2019: surplus of £12,603). This surplus arose primarily thanks to extra fundraising for the Dar ul Quran school, as well as the start of a new revenue stream through a partnership with another charity to manage the delivery of its charitable activities. Income rose by 238% to £224,558 compared to £94,291 in 2019, while over the same period expenditure decreased by 6% to £76,990 from £81,688 in 2019, due mainly to unspent restricted income raised in the year for the Dar ul Quran school project.

Expenditure on fixed assets capitalised during the year amounted to £NIL (2019: £390), in congruence with our capitalisation policy. Fixed assets are used for charitable purposes and enable staff and volunteers to provide an optimum service to the public.

There is an end of year restricted fund balance of £94,563 (2019: £Nil). This is accounted for by £94,563 raised for the Dar ul Quran project in the current year and is expected to be fully spent in 2021.

Reserves Policy

The Trustee Board reviews and updates its reserves policy annually to ensure its compliance with Charity Commission best practice. This requires reserves to be available to cover future contingencies and liabilities. The Charity holds unrestricted funds which have been provided to the charity via donations and generated income. Under the terms of the donations, the charity must retain the assets in perpetuity and can only use the income to support its charitable activities.

The unrestricted general funds of the Charity represent income earned but not yet utilised in supporting charitable activities. At 31 December 2020, the charity held unrestricted reserves of £93,952 (31 December 2019: £40,947).

Going Concern

The Charity reported a significant cash inflow of £177,389 for the year and the Charity also expects to make an inflow in 2021. Whilst the year ending 31 December 2020 was significantly affected by Covid-19, including leading to the charity temporarily suspending its courses until they could be safely switched to being delivered online, the affect was minimal from a financial point of view overall. Once the current restrictions are lifted all activities and face-to-face course delivery will be reviewed on a per need basis and we expect some courses to remain online in order to allow participation from all over the UK and indeed abroad as well.

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 these financial statements.

FUTURE PLANS

Post-pandemic restrictions, the Charity expects to work on new joint projects with CJMGS in the coming year on top of its own activities and hopes to work with many community groups in and around Birmingham. The CJMGS project is a wide ranging contract and will require greater oversight by the management and Trustees to make sure the project delivers its intended outcomes for both parties and follows expected Council and government rules and accepted guidelines around working safely with children face-to-face.

The Charity further hopes to resume delivering its courses for adults both in major cities within the UK, as well as its popular retreats abroad. It also intends to continue hosting lecture tours with speakers both from within the UK and abroad, as well as further expanding its 1 million followers on social media platforms to promote our objectives over the internet.

THE CITY OF KNOWLEDGE ACADEMY

TRUSTEES'/DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the trustees to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent; and
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable 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 charitable company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ACCOUNTS PREPERATION

The Trustees confirm that the accounts comply with current statutory requirements, and with those of the governing instrument.

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the same Act.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The Trustees' report was approved by the board, authorised for issue on 31 January 2022, and signed on its behalf by,



Mohammad Ansari
Trustee

THE CITY OF KNOWLEDGE ACADEMY

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Independent examiner's report to the Trustees of The City of Knowledge Academy

I report on the financial statements of the charity for the year ended 31 December 2020 which are set out on pages 10 to 22.

This report is made solely to the charity's Trustees, as a body, in accordance with section 145 and the regulations made under section 154 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of Trustees and Examiner

The Trustees, who are also the Directors of the Company for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this period under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed.

Having satisfied myself that the company is not subject to audit under charity or company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the 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 view given by the financial statements.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:-

- 1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 386 of the Companies Act 2006; and
 - to prepare financial statements which accord with the accounting records and comply with accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Wahid Gazge FCA
Cliveden Avenue
Birmingham
B42 1SW

Dated: 31 January 2022

THE CITY OF KNOWLEDGE ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (Including income and expenditure account) FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Income from:							
Donations and legacies	2	7,394	94,563	101,957	6,939	-	6,939
Charitable activities	3	114,642	-	114,642	87,352	-	87,352
Other income	4	7,959	-	7,959	-	-	-
Total income		129,995	94,563	224,558	94,291	-	94,291
Expenditure on:							
Raising funds	5	7,363	-	7,363	2,199	-	2,199
Charitable activities	6	69,627	-	69,627	79,489	-	79,489
Total expenditure		76,990	-	76,990	81,688	-	81,688
Net income/(expenditure) before transfer		53,005	94,563	147,568	12,603	-	12,603
Transfers between funds		-	-	-	-	-	-
Net movement in funds		53,005	94,563	147,568	12,603	-	12,603
Reconciliation of funds:							
Total funds brought forward at 31 December 2019		40,947	-	40,947	28,344	-	28,344
Total funds carried forward at 31 December 2020		93,952	94,563	188,515	40,947	-	40,947

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

The notes on pages 13 to 22 form part of these financial statements.

THE CITY OF KNOWLEDGE ACADEMY

BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020	2019
	Note	£	£
Fixed assets			
Tangible assets	12	276	374
Current assets			
Debtors	13	1,622	1,115
Cash at bank and in hand	22	216,847	39,458
		218,469	40,573
Liabilities			
Creditors: amounts falling due within one year	14	(30,230)	-
Net current assets		188,239	40,573
Total net assets		188,515	40,947
Funds of the charity			
Unrestricted funds: General funds	16	93,952	40,947
Restricted funds	17	94,563	-
Total charity funds	18	188,515	40,947

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with FRS 102 (effective January 2019).

For the year ended 31 December 2020, the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements were approved by the Trustees on 31 January 2022 & signed on their behalf, by:



Mohammad Ansari
Trustee

The notes on pages 13 to 22 form part of these financial statements.

THE CITY OF KNOWLEDGE ACADEMY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by operating activities	21	177,389	27,557
Cash flows from investing activities:			
Purchase of fixed assets	12	-	(390)
Net cash provided by investing activities		-	(390)
Increase / (decrease) in cash and cash equivalents in the reporting period		177,389	27,167
Cash and cash equivalents at the beginning of the reporting period		39,458	12,291
Cash and cash equivalents at the end of the reporting period	22	216,847	39,458

The notes on pages 13 to 22 form part of these financial statements.

THE CITY OF KNOWLEDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Charitable Company Information

The City of Knowledge Academy is a private limited charitable company, limited by guarantee, by not having share capital incorporated and domiciled in England & Wales. The registered office is 236 St Bernards Road, Solihull, B92 7BH and the company registration number is: 07246107.

1 Accounting Policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The City of Knowledge Academy meets the definition of a public benefit entity under FRS 102. Assets and liabilities are recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in Sterling and rounded to the nearest £1.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.3 Income

All income is included in the statement of financial activities when the charity is entitled to the funds and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Voluntary income is received by way of grants, donations and gifts, including gift aid income where applicable, and is included in full in the statement of financial activities when receivable. Income from government and other grants, where related to performance and specific deliverables, are accounted for when it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Donated services and facilities are included at the value to the charity where this can be quantified and is material. The value of services provided by volunteers has not been included in these accounts.

THE CITY OF KNOWLEDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting Policies (continued)

1.5 Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates. Expenditure on raising funds; comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs 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 its activities and those costs of an indirect nature necessary to support them.

Currently, there are not multiple project streams to which costs are attributable in the Charity and so all costs of the charity are costed and reported on as one main activity. As such, no apportionment for support costs between activities is required nor reported.

1.6 Operating leases

The charity classifies the lease of its vehicle as an operating lease; the title to the vehicle remains with the lessor with no immediate right to purchase the vehicle at the end of the lease. Rental charges are charged on a straight-line basis over the term of the lease.

1.7 Taxation

The charitable company, being a registered charity with minimal trading income, has been granted exemption from tax under Section 505 of the Income and Corporation Taxes Act 1988. No provision for taxation has therefore been made in these accounts.

1.8 Tangible fixed assets and depreciation

All assets individually costing more than £1,000 are capitalised.

Tangible fixed assets are stated at cost less depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Equipment	- 25% on the straight-line method
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1.9 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

THE CITY OF KNOWLEDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting Policies (continued)

1.12 Pensions and retirement benefits

The charity operates a defined contribution scheme but currently all employees have opted-out of the scheme.

1.13 Financial instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

1.14 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the Financial Statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors consider that there are no significant areas of key judgement or estimation uncertainty other than those identified in the accounting policies above.

1.15 Going concern

The full impact of the Covid-19 pandemic on the long-term landscape we will work in is not yet clear, however, in the short term we have not faced any significant financial impact and whilst our ability to work face-to-face is currently reduced considerably, we have been able instead to increase course participation over the internet with video conferencing. 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 these financial statements.

2 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Donations and gifts	7,394	94,563	101,957	6,939

THE CITY OF KNOWLEDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Course and event fees	79,642	-	79,642	87,352
CJMGS contract	35,000	-	35,000	-
Total income from charitable activities	114,642	-	114,642	87,352

4 Other income

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
JRS Grant	7,959	-	7,959	-

5 Raising funds

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Printing and marketing	7,002	-	7,002	108
Fundraising events	361	-	361	2,091
Total expenditure on raising funds	7,363	-	7,363	2,199

6 Expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Hardship grants	4,200	-	4,200	-
Courses and events costs	33,745	-	33,745	51,243
Salaries and wages	16,026	-	16,026	16,026
IT costs	6,533	-	6,533	2,825
Vehicle and travel costs	6,499	-	6,499	5,724
Insurances	1,542	-	1,542	2,200
Depreciation	98	-	98	70
Governance costs	984	-	984	1,401
	69,627	-	69,627	79,489

THE CITY OF KNOWLEDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

7 Net incoming resources for the year	2021	2020
	£	£
This is stated after charging:-		
Operating leases - vehicle	4,723	1,968
Independent examiner's fee	250	-
Depreciation and impairment charges	98	70
	=====	=====

8 Trustees

During the current or previous year no remuneration or benefits for services as a director/trustee have been paid or were payable, directly or indirectly, out of the funds of the charity to any trustee or to any person known to be connected with them.

Reimbursement of travel and incidental expenses to the trustees came to £Nil during the year to 31 December 2020 (2019: £Nil).

Trustees' expenses related to costs of Trustees' meetings totalled £Nil (2019: £Nil).

9 Employees	2020	2019
	Head Count	Head Count
Number of employees		
Key management personnel	2	2
	=====	=====
	2	2
	=====	=====
Employment costs		
	£	£
Salaries and wages	16,026	16,026
Social security costs	-	-
Pensions costs	-	-
	=====	=====
	16,026	16,026
	=====	=====

No employee received remuneration amounting to more than £60,000 in the period (2019: Nil)

The key management personnel of the Charity comprise the Chief Executive and Programmes Manager. The total employee benefits in the year of the key management personnel of the Charity were £16,026 (2019: £16,026).

No employees were made redundant in the year (2019: None). The total cost of redundancy payments amounted to £Nil (2019: £Nil for zero redundancies). The policy of the charity is to recognise redundancy payments in full when they become due.

THE CITY OF KNOWLEDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10 Pensions

There is a defined contribution pension scheme setup for employees. However, there are currently no employees on the scheme as all employees have opted out of the scheme. From April 2017 and again in April 2020, CK automatically enrolled eligible jobholders into a qualifying scheme in accordance with pensions legislation. The assets of the scheme are held separately from those of the company in an independently administered fund. However, there are currently no employees on the scheme as all employees have opted out of the scheme. The fund is a Personal Pension Scheme with NEST. The pension cost charge for the year represents contributions payable by the charitable company to the fund and amounted to £Nil (2019: £Nil). At the year-end £Nil was owed to the pension scheme (2019: £Nil).

11 Volunteers

The Trustee Board and Key management personnel recognise the tremendous contribution made by our volunteers without whom the Charity could not operate as widely as it does. This year the amount of time volunteers were able to provide help to deliver courses and hold events was significantly reduced due to the Covid requirements to stay at home. A small group of volunteers however, has been helping throughout, within required safety guidelines but the vast majority of the work undertaken has been by the key management personnel.

12 Fixed Assets

	Equipment £	Total £
Cost		
At 31 December 2019	2,655	2,655
Additions	-	-
	<hr/>	<hr/>
At 31 December 2020	2,655	2,655
	<hr/>	<hr/>
Depreciation		
At 31 December 2019	2,281	2,281
Charge for the year	98	98
	<hr/>	<hr/>
At 31 December 2020	2,379	2,379
	<hr/>	<hr/>
Net book value		
At 31 December 2020	276	276
	<hr/>	<hr/>
At 31 December 2019	374	374
	<hr/>	<hr/>

THE CITY OF KNOWLEDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

13	Debtors				2020 £	2019 £
	Prepayments				1,278	1,115
	Other debtors				344	-
					1,622	1,115
14	Creditors: amounts falling due within one year				2020 £	2019 £
	Accruals				250	-
	Partner funds				29,980	-
					30,230	-
15	Financial instruments				2020 £	2019 £
	Financial assets					
	Financial assets measured at fair value through profit & loss:					
	- Cash at bank and in hand				216,847	39,458
	- Debtors				1,622	1,115
					218,469	40,573
	Financial liabilities					
	Financial assets measured at fair value through profit & loss:					
	- Accruals				250	-
	- Other creditors				29,980	-
					30,230	-
16	Unrestricted funds					
		Balance at 31 December 2019 £	Incoming resources £	Resources expended £	Transfer Between Funds £	Balance at 31 December 2020 £
	General funds	40,947	129,995	(76,990)	-	93,952
	Total Unrestricted funds	40,947	129,995	(76,990)	-	93,952

THE CITY OF KNOWLEDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of funds received for specific purposes:

	Balance at 31 December 2019 £	Incoming resources £	Resources expended £	Transfer Between Funds £	Balance at 31 December 2020 £
Dar ul Quran	-	94,563	-	-	94,563
Total Restricted funds	-	94,563	-	-	94,563

Restricted Fund Descriptions

Dar ul Quran

This is a fund designed to support a school and youth centre in Turkey for Syrian refugees. An online fundraising campaign has brought in funds to help support the school and the management and trustees of CK are finalising the details with the Turkish charity, of how these funds will support the organisation there before distributing the funds in phases throughout 2021.

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2020 are represented by:-			
Fixed assets	276	-	276
Net current assets	93,676	94,563	188,239
	93,952	94,563	188,515
	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2019 were represented by:-			
Fixed assets	374	-	374
Net current assets	40,573	-	40,573
	40,947	-	40,947

THE CITY OF KNOWLEDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

19 Commitments under operating leases

As lessee:

As at 31 December 2020, the company had commitments under non-cancellable operating leases as follows:

	2020	Vehicle 2019
	£	£
Within one year	3,542	4,723
Between one and two years	-	3,542
	<u> </u>	<u> </u>

20 Related parties

The Chief Executive is the son of the trustee, Abdul Qayum. The Chief Executive was paid £8,031 in the year to 31 December 2020 and £8,031 in the year to 31 December 2019, for his services to the Charity.

21 Reconciliation of cash flows from operating activities

	2020	2019
	£	£
Net income / (expenditure) for the reporting period	147,568	12,603
Add: Depreciation charge	98	70
(Increase) / decrease in debtors	(507)	128,884
Increase / (decrease) in creditors	30,230	(114,000)
	<u> </u>	<u> </u>
Net cash provided by operating activities	177,389	27,557
	<u> </u>	<u> </u>

22 Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	216,847	39,458
	<u> </u>	<u> </u>
Total cash and cash equivalents	216,847	39,458
	<u> </u>	<u> </u>

22A Analysis of changes in net debt

	At start of year £	Cashflows in year £	At end of year £
Cash	39,458	177,389	216,847
	<u> </u>	<u> </u>	<u> </u>
	39,458	177,389	216,847
	<u> </u>	<u> </u>	<u> </u>

THE CITY OF KNOWLEDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

23 Members liability and ultimate controlling party

The Charity was formed as a company limited by guarantee on 06 May 2010 (Company Number: 07246107). The full name of the charity is, The City of Knowledge Academy, and was registered with the Charity Commission on 09 August 2010 (Charity Number: 1137342).

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees do not consider there to be an ultimate controlling party.

24 Post balance sheet events

Partnership contract – The partnership contract with CJMGS has been unilaterally suspended since June 2021 by CJMGS trustees and the contract is now in dispute between both parties due to a difference of opinion on the project management and deliverables for the project. The trustees of CK have decided for now to not recognise the contract income beyond the amounts already paid in 2021.