

Charity registration number: 1142790

# Al Furqan Education Trust

Annual Report and Financial Statements  
for the Year Ended 31 March 2021

## **Al Furqan Education Trust**

### **Contents**

Reference and Administrative Details	1
Trustees' Report	2 to 5
Statement of Trustees' Responsibilities	6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10 to 18

## **Al Furqan Education Trust**

### **Reference and Administrative Details**

<b>Trustees</b>	Abdulsatar Abdi Aden Ali Hussein Hassan Mr Mohamed Qalalid Abubakr Abdi Hussein Abdirazak Hiram Mohamed Mr Ismail Abdisamad Mohamud
<b>Principal Office</b>	41 Cross Lances Road Hounslow TW3 2AD
<b>Charity Registration Number</b>	1142790
<b>Independent Examiner</b>	Nasir Rafiq Dua Governance 123-131 Bradford Street Bradford Court Birmingham B12 0NS

## **Al Furqan Education Trust**

### **Trustees' Report**

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2021.

#### **Objectives and activities**

##### ***Objects and aims***

AET's established objectives are the advancement of education in accordance with the doctrine and tenets of Islam in particular, but not exclusively, as we provide provision of non-religious education to Somali children living in London, in mainly English, Maths and Science. And we wish to further such other charitable purposes according to the UK Law with the stipulations set out by the Charity Commission.

Al Furqan Education Trust is aiming to achieve its objectives by:-

1. Providing comprehensive and balanced education to the youth.
2. Serving the local Muslim community by promoting a greater understanding of Islam through charitable, educational and social events.
3. Equipping students with the skills they need for their future career choices.
4. Providing a range of services that will enable young people and women to engage in a positive and lively environment.
5. Providing students with a safe and friendly environment full of Islamic ethos to prepare them for a rich and fulfilling career.

##### ***Public benefit***

The charity's activities are designed to benefit the Muslim community in the London Borough of Hounslow in particular and the whole community in general. In view of this, the trustees confirm that they have had due regard to the public benefit guidance and they have complied with the duty in s. 37 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

##### ***Use of volunteers***

The effort, commitment and skills of our volunteers are at the heart of the charity. Some of our long-standing volunteers have worked with us for considerable periods contributing invaluable time and skills.

It has not been possible to put a monetary value on the efforts of our volunteers.

## Al Furqan Education Trust

### Trustees' Report

#### Achievements and performance

Due to the pandemic 2020-2021 and the subsequent closure of the Center as a result, there was very limited activities. Despite the unprecedented closure and the impact, our members were actively involved in community work including distribution of food and collaboration with other local service providers reaching out to the vulnerable.

#### Building update

We have since applied for a planning permission to extend our D1 status to include a Place of Worship and we are awaiting a decision.

#### CIO Registration

As we are now a registered Incorporated Charity, we have completed transfer of assets to the CIO. We are finalizing the remaining transfer processes by the end of the financial year.

The pandemic has drastically affected the centre's income streams as the closure has affected members' contributions.

The main projects undertaken during the financial year were:

#### a) Masjid

Al Furqan provides a fully functioning place of prayer, where the 5 daily prayers, Taraweeh are prayers and all prayer services established. The prayer services cater to both men and women. Lectures and lessons are conducted in the Masjid for the benefit of the worshippers.

#### b) Madrasah

The Madrasah is one of the main services provided by Al Furqan. The Madrasah, which runs weekends and in the evenings, caters for both boys and girls over the age of 6. The madrasah is standardized and supported by a well thought-out and prepared curriculum that caters to the students who attend. There are also assessments and experienced teachers. The madrasah runs on Tuesdays and Thursday between 5-8pm and Saturdays and Sundays from 9am to 4pm. Registration takes place twice a year for new students.

Due to Covid-19 lockdown the student registration and active classes was impacted, however, the Trust managed to carry on-line classes

#### c) Ramadan project

Muslims look forward to the holy month of Ramadan. Ramadan is a month filled with various types of worship; including prayers, giving charity, fasting and bonding with fellow Muslims.

Al Furqan has been organising Taraweeh prayers (Night prayers) since its inception during the month of Ramadan.

Due to Covid-19, both Taraweeh and Iftar programme were impacted and the mosque remained closed in-line with the government guidelines.

#### d) Eid Project

Due to Covid-19, it was not possible to achieve this project during the year

#### e) Children Sports/Youth project

Al Furqan aims to provide a range of activities to busy the youth and create a platform for them whereby they can voice their needs and concerns. Youth are a vital part of any community and we at Al Furqan, therefore find it important to have many services available for them. We aim to empower the youth of our local community with the necessary education, both Islamic and academic, to produce individuals who will have a positive impact on their communities at large. The Trust programme during the year was impacted by Covid-19

#### f) Women Project

Women from different backgrounds come together to socialise, have lessons and get advice regarding many different matters. The Trust women programs like online-lectures and Covid-19 awareness programme was mainly done online during the year

#### g) Social activities and counselling

Muslims turn to the mosque for help and advice in all matters of their life. The trust has trained Imams to provide counselling and advice on concerns that the community may have, such as death, cultural difficulties, marriage breakdowns, bullying and other social issues

The Trust also assists with the filling in forms, speaking to councils on behalf of worshippers and various other types of assistance that may be of general help to the public.

Due to Covid-19 lockdown this activities were offered at a limited capacity.



## **Al Furqan Education Trust**

### **Trustees' Report**

#### **Financial review**

During the year, the charity raised £464k (2020: £589k). This included £270k (2020: £262k) in donations, £115k (2020: £115k) in rent and £79k (2020: £211k) in fees. After spending £3.35m (2020: £786k), the charity had carry forward reserves of £44k (2020: £2.93m).

During the period, the charity started the process of converting into a new Charity Incorporated Organisation (CIO) (Charity no 1187230). A transfer agreement between the charity and the new CIO was signed on the 26 Feb 2020. In accordance with this agreement the legal ownership (i.e. risk and reward) of all buildings were transferred to the new CIO by way of a grant on the 03 December 2020. The grant represents the donation of the buildings from the charity to a new Charity Incorporated Organisation (CIO), Alfurqan Education Trust (Charity no 1187230).

The transfer agreement between the charity and new CIO entity requires the charity to transfer all its assets, staff and projects to the new incorporated charity, Alfurqan Education Trust (Charity no 1187230).

During the year, the Charity reviewed its debtors and decided to write off £93k relating to students fees that were deemed irrecoverable.

#### **Policy on reserves**

The charity has sufficient general reserves to cover core expenditure for the next year. These reserves are held in case of any sudden decline in income and to ensure that we can meet our commitments to providing our services and activities. Specifically, these commitments include our contractual obligations in relation to our outreach work and staff commitments.

#### **Going concern**

The charity income dropped during the reported period due to the lockdown restrictions. The Mosque was closed, and no prayers were held. This impacted the income raised through weekly Friday prayers and Ramadan. Reliance was placed on online donations and the furlough grants from the government. The charity was able to reduce its spend by reducing the salary costs and some facility costs.

Since this reported period, the lockdown restrictions have eased, and income is now reaching at pre covid levels. The charity has sufficient cash to cover its core spend for at least two months. The trustees are confident that the in-year fundraising plans are sufficient to cover costs for the year.

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

##### ***Nature of governing document***

The charity is controlled by its governing document, a deed of trust dated 26 June 2011 and as amended by resolution dated 06 March 2016. The Trust registered as a charity with the Charity Commission on the 08 July 2011.

##### ***Recruitment and appointment of trustees***

The charity's trust deed stipulates the method of appointing trustees. The current board of trustees is made up of experienced individuals who have served the charity for many years.

##### ***Major risks and management of those risks***

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The trustees confirm that considerations have been given to the major risks to which the charity is exposed and that systems have been designed and established to mitigate those risks.

#### **Financial instruments**

##### ***Objectives and policies***

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

## Al Furqan Education Trust

### Trustees' Report

#### **Cash flow risk**

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

#### **Credit risk**

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### **Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance. Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on 26/1/22 and signed on its behalf by:



Abubakr Abdi Hussein  
Trustee

## **Al Furqan Education Trust**

### **Statement of Trustees' Responsibilities**

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities 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 of the charity for that period. 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 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 business.

The trustees are responsible for keeping proper 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.



## Al Furqan Education Trust

### Independent Examiner's Report to the trustees of Al Furqan Education Trust

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2021 which are set out on pages 8 to 18.

#### Respective responsibilities of trustees and examiner

As the charity's trustees of Al Furqan Education Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Al Furqan Education Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### Independent examiner's statement

Since Al Furqan Education Trust's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of Al Furqan Education Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting 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 no concerns and 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.

.....  
Nasir Rafiq  
ICAEW

Dua Governance  
123-131 Bradford Street  
Bradford Court  
Birmingham  
B12 0NS

Date: 26.01.2022

# **Al Furqan Education Trust**

## **Statement of Financial Activities for the Year Ended 31 March 2021**

	Note	Unrestricted funds £	Total 2021 £
<b>Income and Endowments from:</b>			
Donations and legacies	2	269,809	269,809
Investment income	3	115,320	115,320
Other income	4	78,771	78,771
Total income		<u>463,900</u>	<u>463,900</u>
<b>Expenditure on:</b>			
Charitable activities	5	<u>(3,350,863)</u>	<u>(3,350,863)</u>
Total expenditure		<u>(3,350,863)</u>	<u>(3,350,863)</u>
Net expenditure		<u>(2,886,963)</u>	<u>(2,886,963)</u>
Net movement in funds		(2,886,963)	(2,886,963)
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>2,930,931</u>	<u>2,930,931</u>
Total funds carried forward	18	<u>43,968</u>	<u>43,968</u>
The funds breakdown for 2020 is shown in note 18.			

All of the charity's activities derive from continuing operations during the above two periods.

	Note	Unrestricted funds £	Total 2020 £ (restated)
<b>Income and Endowments from:</b>			
Donations and legacies	2	262,461	262,461
Investment income	3	115,339	115,339
Other income	4	211,344	211,344
Total income		<u>589,144</u>	<u>589,144</u>
<b>Expenditure on:</b>			
Charitable activities	5	<u>(786,254)</u>	<u>(786,254)</u>
Total expenditure		<u>(786,254)</u>	<u>(786,254)</u>
Net expenditure		<u>(197,110)</u>	<u>(197,110)</u>
Net movement in funds		(197,110)	(197,110)
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>3,128,041</u>	<u>3,128,041</u>
Total funds carried forward	18	<u>2,930,931</u>	<u>2,930,931</u>

**Al Furqan Education Trust**

**(Registration number: 1142790)  
Balance Sheet as at 31 March 2021**

	Note	2021 £	2020 £ (restated)
<b>Fixed assets</b>			
Tangible assets	14	-	2,912,000
<b>Current assets</b>			
Debtors	15	7,220	101,188
Cash at bank and in hand	16	<u>77,067</u>	<u>40,892</u>
		84,287	142,080
<b>Creditors: Amounts falling due within one year</b>	17	<u>(40,319)</u>	<u>(123,149)</u>
<b>Net current assets</b>		<u>43,968</u>	<u>18,931</u>
<b>Net assets</b>		<u>43,968</u>	<u>2,930,931</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>43,968</u>	<u>2,930,931</u>
<b>Total funds</b>	18	<u>43,968</u>	<u>2,930,931</u>

The financial statements on pages 8 to 18 were approved by the trustees, and authorised for issue on 26/1/22 and signed on their behalf by:



.....  
Abubakr Abdi Hussein  
Trustee

## **Al Furqan Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **1 Accounting policies**

##### **Statement of compliance**

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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### **Basis of preparation**

Al Furqan Education Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

##### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### **Donations and legacies**

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

##### **Grants receivable**

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

##### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### **Charitable activities**

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 such activities and those costs of an indirect nature necessary to support them.

##### **Grant provisions**

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

##### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.



## **Al Furqan Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Land & Building: 2% on Cost

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## **Al Furqan Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

#### **Pensions and other post retirement obligations**

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity 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 in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

##### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.



## **Al Furqan Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### ***Debt instruments***

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

#### ***Investments***

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

#### ***Derivative financial instruments***

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

#### ***Fair value measurement***

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

# Al Furqan Education Trust

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 2 Income from donations and legacies

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Donations and legacies;			
Donations from individuals	50,677	50,677	262,461
Grants, including capital grants;			
Government grants	219,132	219,132	-
	<u>269,809</u>	<u>269,809</u>	<u>262,461</u>

### 3 Investment income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Income from rents	115,319	115,319	115,318
Other investment income	1	1	21
	<u>115,320</u>	<u>115,320</u>	<u>115,339</u>

### 4 Other income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Fees and supplies	78,771	78,771	193,481
Other income	-	-	17,863
	<u>78,771</u>	<u>78,771</u>	<u>211,344</u>

### 5 Expenditure on charitable activities

	Activity undertaken directly £	Grant funding of activity £	Activity support costs £	Total 2021 £	Total 2020 £
Education and worship	489,398	2,848,000	3,214	3,340,612	771,219
Governance	10,251	-	-	10,251	10,669
School project	-	-	-	-	2,766
Community projects	-	-	-	-	661
	<u>499,649</u>	<u>2,848,000</u>	<u>3,214</u>	<u>3,360,863</u>	<u>785,315</u>



## Al Furqan Education Trust

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 6 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Independent examiner fees			
Examination of the financial statements	3,780	3,780	2,880
Trustees remuneration and expenses	-	-	75
Legal and professional fees	6,471	6,471	7,714
	<u>10,251</u>	<u>10,251</u>	<u>10,669</u>

#### 7 Grant-making

##### Analysis of grants

	2021 £	2020 £
Analysis		
Al Furqan Education Trust (CIO)	2,848,000	-
Community Projects	-	661
School Project	-	2,766
	<u>2,848,000</u>	<u>3,427</u>

The support costs associated with grant-making are £Nil (31 March 2020 - £Nil).

The grant represents the donation of the buildings from the charity to a new Charity Incorporated Organisation (CIO), Alfurqan Education Trust (Charity no 1187230). This is as part of a transfer agreement between the charity and its new incorporated form Alfurqan Education Trust (Charity no 1187230). The transfer agreement requires the charity to transfer all its assets, staff and projects to the new incorporated charity, Alfurqan Education Trust (Charity no 1142790).

#### 8 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	<u>64,000</u>	<u>64,000</u>

#### 9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

#### 10 Staff costs

The aggregate payroll costs were as follows:

# **Al Furqan Education Trust**

## **Notes to the Financial Statements for the Year Ended 31 March 2021**

	2021 £	2020 £
<b>Staff costs during the year were:</b>		
Wages and salaries	262,765	335,745
Social security costs	9,022	12,239
Pension costs	<u>1,825</u>	<u>2,441</u>
	<u><u>273,612</u></u>	<u><u>350,425</u></u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021 No	2020 No
No of Employees	<u><u>31</u></u>	<u><u>46</u></u>

No employee received emoluments of more than £60,000 during the year

### **11 Independent examiner's remuneration**

	2021 £	2020 £
Examination of the financial statements	<u><u>3,780</u></u>	<u><u>2,880</u></u>

# Al Furqan Education Trust

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 12 Auditors' remuneration

### 13 Taxation

The charity is a registered charity and is therefore exempt from taxation.

### 14 Tangible fixed assets

	Land and buildings £	Total £
<b>Cost</b>		
At 1 April 2020	3,200,000	3,200,000
Disposals	(3,200,000)	(3,200,000)
At 31 March 2021	-	-
<b>Depreciation</b>		
At 1 April 2020	288,000	288,000
Charge for the year	64,000	64,000
Eliminated on disposals	(352,000)	(352,000)
At 31 March 2021	-	-
<b>Net book value</b>		
At 31 March 2021	-	-
At 31 March 2020	2,912,000	2,912,000

### 15 Debtors

	2021 £	2020 £
Trade debtors	7,220	101,188

### 16 Cash and cash equivalents

	2021 £	2020 £ (restated)
Cash at bank	77,067	40,892

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

	2021 £	2020 £
Trade creditors	-	23,798
Other taxation and social security	-	23,471
Other creditors	36,539	73,000
Accruals	3,780	2,880
	40,319	123,149

# Al Furqan Education Trust

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 18 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>				
General	<u>2,930,931</u>	<u>463,900</u>	<u>(3,350,863)</u>	<u>43,968</u>
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £ (restated)
<b>Unrestricted funds</b>				
General	<u>3,128,041</u>	<u>589,144</u>	<u>(786,254)</u>	<u>2,930,931</u>

### 19 Analysis of net assets between funds

	Unrestricted General £	Total funds at 31 March 2021 £
Current assets	84,287	84,287
Current liabilities	<u>(40,319)</u>	<u>(40,319)</u>
Total net assets	<u>43,968</u>	<u>43,968</u>
	Unrestricted funds General £	Total funds 2020 £
Tangible fixed assets	2,912,000	2,912,000
Current assets	143,019	143,019
Current liabilities	<u>(123,149)</u>	<u>(123,149)</u>
Total net assets	<u>2,931,870</u>	<u>2,931,870</u>

### 20 Analysis of net funds

	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	<u>40,892</u>	<u>36,175</u>	<u>77,067</u>
Net debt	<u>40,892</u>	<u>36,175</u>	<u>77,067</u>
	At 1 April 2019 £	Financing cash flows £	At 31 March 2020 £
Cash at bank and in hand	<u>11,747</u>	<u>29,145</u>	<u>40,892</u>
Net debt	<u>11,747</u>	<u>29,145</u>	<u>40,892</u>