

**Report of the Trustees and
Unaudited Financial Statements
for the Year Ended 31 July 2021
for
Al-Hijrah Trust**

Locke Williams Associates LLP
Chartered Accountants
c/o Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL

Al-Hijrah Trust

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for the Year Ended 31 July 2021**

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Al-Hijrah Trust

Report of the Trustees for the Year Ended 31 July 2021

The trustees present their report with the financial statements of the charity for the year ended 31 July 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's constitution defines the charity's objects as being to:

1. To advance the Islamic religion anywhere in the world for the benefit of the public through the holding of prayer meetings, lectures, producing and/or distributing literature on the Islamic faith to enlighten others about the Islamic faith.
2. The prevention or the relief of poverty anywhere in the world by providing grants, items and services to the individuals in need and/or charities, or other organisations working to prevent or relieve poverty.
3. For the public benefit to promote education at every level, anywhere in the world, in such ways as the charity trustees think appropriate.

Public benefit

In setting these objectives and aims, the trustees have given due regard to the guidance published by the Charity Commission on Public Benefit.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

This year the Charity's activities remained curtailed due to the lockdowns imposed following the Covid-19 pandemic. Many activities were opened but then had to be shut down again and this happened a couple of times.

Towards the end of the year, activities were resumed during Ramadhan and have continued, gradually increasing.

The Trustees continued to actively work with the Interim Manager to resolve any issues related to the Charity Commission statutory enquiry. In January 2021, day-to-day running of the Charity was passed back to the Trustees. The Interim Manager continued in place to support the Charity in reclaiming the Cherrywood building.

Mosque

The Mosque continued to be well attended through the year for both daily prayers and Friday congregational prayers.

Fundraising for the renovation project has continued and we are hoping to start the building work in 2022.

A regular programme of religious and educational talks has been carried out using a variety of speakers. There has been much more involvement from sisters providing educational and social activities for local women and children.

Madrasah

The Madrasah remained popular throughout the year with approximately 300 children. We have focussed on improving the provision of teaching and learning using the new syllabus which includes Quran, Arabic and Islamic Studies.

The neighbourhood in which the madrasah is based is a challenging one, with very high youth unemployment and youth crimes being a daily reality. The madrasah aims to steer the children into adolescence with the skills and outlook to manage these challenges.

Al-Hijrah Trust

Report of the Trustees for the Year Ended 31 July 2021

FINANCIAL REVIEW

Financial position

During the year, the charity raised £140,161 in donations £91,553 of which were raised for specific purposes), a further £49,617 from Madrasah fees and £99,985 in rental income. The charity claimed £55,291 under the Governments Coronavirus Job Retention Scheme. Total income for the year was £345,056 (2020 £230,415).

The charity spent a total of £324,511 on its charitable activities (2020 £340,897).

Reserves policy

Total unrestricted funds at 31 July 2021 were £576,937 (2020 £647,945). Of these, £(69,308) were 'free reserves'. Free reserves are reserves which do not include restricted funds or funds tied up in the fixed assets. As at 31 July, these negative free reserves are supported by the generous Qarde Hasan loans made to the charity totalling £150,000.

Total restricted reserves at 31 July 2021, being reserves of income given for specified purposes, were £91,553. Further details of these reserves are given in the notes to the financial statements.

FUTURE PLANS

Supporting the Charity Commission in removing the charge from the Cherrywood Centre remains a priority for the coming year.

We are continuing the fundraising for the Mosque extension and aim to start the building work in 2022.

We are aiming to restart the Tuition Project to boost attainment for pupils at Key Stage 3 and GCSE level in September / October 2021.

We are also aiming to increase activities for sisters and children, including developing a Scouts group for boys and girls, in conjunction with the Scouts Association.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is governed by its governing document, registered on 2 October 2013 and amended on 11 December 2020.

Charity constitution

The Charity is constituted as a Charitable Incorporated Organisation (CIO), as a body corporate under Part 11 of the Charities Act 2011 on the 02 Oct 2013. The CIO registered with the Charity Commission on the same day.

Organisational structure

Trustees are legally responsible for the governance and management of the charity. Trustees are responsible of setting strategies and policies for ensuring these are implemented.

Risk management

The trustees have considered the major risks to which the charity is exposed and have reviewed potential risks. Systems and procedures have been put in place to manage the risks and to mitigate any adverse outcomes.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1154046

Principal address

Trust House
73 Burbidge Road
Birmingham
West Midlands
B9 4US

Al-Hijrah Trust

**Report of the Trustees
for the Year Ended 31 July 2021**

Trustees

Dr M Hanif
N Mahmood
M Bashir
W Altaf (resigned 16.9.20)
Mrs E Turner Interim Manager

Independent Examiner

Locke Williams Associates LLP
Chartered Accountants
c/o Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL

Approved by order of the board of trustees on6th May 2022..... and signed on its behalf by:



.....
Dr M Hanif - Trustee

**Independent Examiner's Report to the Trustees of
Al-Hijrah Trust**

Independent examiner's report to the trustees of Al-Hijrah Trust

I report to the charity trustees on my examination of the accounts of Al-Hijrah Trust (the Trust) for the year ended 31 July 2021.

Responsibilities and basis of report

As the charity trustees of the 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 Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of Institute of Chartered Accountants in England and Wales 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 the 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 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 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.



David Williams FCA FCCA
Institute of Chartered Accountants in England and Wales
Locke Williams Associates LLP
Chartered Accountants
c/o Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL

Date: 6 May 2022

Al-Hijrah Trust

Statement of Financial Activities for the Year Ended 31 July 2021

	Notes	Unrestricted fund £	Restricted funds £	31.7.21 Total funds £	31.7.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	103,899	91,553	195,452	62,838
Charitable activities					
Charitable activities	4	49,617	-	49,617	75,608
Investment income	3	99,985	-	99,985	91,369
Other income		2	-	2	600
Total		253,503	91,553	345,056	230,415
EXPENDITURE ON					
Charitable activities					
Charitable activities		324,511	-	324,511	340,897
NET INCOME/(EXPENDITURE)		(71,008)	91,553	20,545	(110,482)
RECONCILIATION OF FUNDS					
Total funds brought forward		647,945	-	647,945	758,427
TOTAL FUNDS CARRIED FORWARD		576,937	91,553	668,490	647,945

The notes form part of these financial statements

Al-Hijrah Trust

Balance Sheet 31 July 2021

	Notes	Unrestricted fund £	Restricted funds £	31.7.21 Total funds £	31.7.20 Total funds £
FIXED ASSETS					
Tangible assets	9	646,245	5,900	652,145	674,404
CURRENT ASSETS					
Cash at bank and in hand		86,740	85,653	172,393	142,257
CREDITORS					
Amounts falling due within one year	10	(6,048)	-	(6,048)	(9,216)
NET CURRENT ASSETS		<u>80,692</u>	<u>85,653</u>	<u>166,345</u>	<u>133,041</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>726,937</u>	<u>91,553</u>	<u>818,490</u>	<u>807,445</u>
CREDITORS					
Amounts falling due after more than one year	11	(150,000)	-	(150,000)	(159,500)
NET ASSETS		<u>576,937</u>	<u>91,553</u>	<u>668,490</u>	<u>647,945</u>
FUNDS	12				
Unrestricted funds				576,937	647,945
Restricted funds				91,553	-
TOTAL FUNDS				<u>668,490</u>	<u>647,945</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 6th May 2022 and were signed on its behalf by:



M Hanif - Trustee

**Notes to the Financial Statements
for the Year Ended 31 July 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

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.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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.

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- Straight line over 50 years
Fixtures and fittings	- Straight line over 5 years

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

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.

Al-Hijrah Trust

Notes to the Financial Statements - continued for the Year Ended 31 July 2021

1. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. DONATIONS AND LEGACIES

	31.7.21	31.7.20
	£	£
Donations	140,161	42,558
Grants	55,291	20,280
	<u>195,452</u>	<u>62,838</u>

Grants received, included in the above, are as follows:

	31.7.21	31.7.20
	£	£
HMRC - coronavirus job retention scheme	<u>55,291</u>	<u>20,280</u>

Al-Hijrah Trust

Notes to the Financial Statements - continued for the Year Ended 31 July 2021

3. INVESTMENT INCOME

	31.7.21	31.7.20
	£	£
Rents received	99,985	91,369

4. INCOME FROM CHARITABLE ACTIVITIES

	31.7.21	31.7.20
	£	£
Madrasah fees	49,617	75,608

5. SUPPORT COSTS

	Direct costs £	Governance costs £	Totals £
Charitable activities	260,825	63,686	324,511

Support costs, included in the above, are as follows:

	31.7.21	31.7.20
	Charitable activities £	Total activities £
Wages	103,559	147,185
Social security	-	2,046
Pensions	273	-
Rates and water	13,173	8,583
Insurance	30,968	29,587
Light and heat	60,936	53,980
Telephone and fax	2,494	2,951
Printing, postage and stationery	3,164	475
Advertising	388	-
Sundries	808	1,995
Repairs and maintenance	4,141	35,918
Cleaning	32	7,789
Consultancy	6,565	2,421
Accountancy	6,165	4,500
Depreciation of tangible and heritage assets	28,159	26,880
Accountancy and legal fees	1,200	-
Independent Examination fee	-	1,200
Legal fees	62,486	15,387
	324,511	340,897

Al-Hijrah Trust

Notes to the Financial Statements - continued for the Year Ended 31 July 2021

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2021 nor for the year ended 31 July 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 July 2021 nor for the year ended 31 July 2020.

7. STAFF COSTS

	31.7.21 £	31.7.20 £
Wages and salaries	103,559	147,185
Social security costs	-	2,046
Other pension costs	273	-
	<u>103,832</u>	<u>149,231</u>

The average monthly number of employees during the year was as follows:

	31.7.21 17	31.7.20 16
Employees	<u>17</u>	<u>16</u>

No employees received emoluments in excess of £60,000.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	62,838	-	62,838
Charitable activities			
Charitable activities	75,608	-	75,608
Investment income	91,369	-	91,369
Other income	600	-	600
Total	<u>230,415</u>	<u>-</u>	<u>230,415</u>
EXPENDITURE ON			
Charitable activities			
Charitable activities	340,897	-	340,897
NET INCOME/(EXPENDITURE)	<u>(110,482)</u>	<u>-</u>	<u>(110,482)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	758,427	-	758,427
TOTAL FUNDS CARRIED FORWARD	<u>647,945</u>	<u>-</u>	<u>647,945</u>

Al-Hijrah Trust

Notes to the Financial Statements - continued for the Year Ended 31 July 2021

9. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1 August 2020	700,000	64,896	764,896
Additions	-	5,900	5,900
At 31 July 2021	700,000	70,796	770,796
DEPRECIATION			
At 1 August 2020	70,000	20,492	90,492
Charge for year	14,000	14,159	28,159
At 31 July 2021	84,000	34,651	118,651
NET BOOK VALUE			
At 31 July 2021	616,000	36,145	652,145
At 31 July 2020	630,000	44,404	674,404

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.21 £	31.7.20 £
Other creditors	6,048	9,216

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.7.21 £	31.7.20 £
Other creditors	150,000	159,500

The accounts include Qarde Hasan of £150,000 (2020:159,500) as long-term liabilities. These represent historic interest free loans given to the previous Al Hijrah Trust (charity no: 1018850) and now transferred to the new Al Hijrah CIO entity (charity no: 115046). £9,500 was repaid in the year.

The records supporting many of these old liabilities is weak, as it was lost when the Al Hijrah school was taken over by the Independent Executive Board (IEB) in 2014. Work is ongoing to rectify these records.

Al-Hijrah Trust

Notes to the Financial Statements - continued for the Year Ended 31 July 2021

12. MOVEMENT IN FUNDS

	At 1.8.20 £	Net movement in funds £	At 31.7.21 £
Unrestricted funds			
General fund	647,945	(71,008)	576,937
Restricted funds			
Mosque extension fund	-	59,352	59,352
Yemen	-	25,505	25,505
Sound system	-	6,696	6,696
	-	91,553	91,553
TOTAL FUNDS	647,945	20,545	668,490

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	253,503	(324,511)	(71,008)
Restricted funds			
Mosque extension fund	59,352	-	59,352
Yemen	25,505	-	25,505
Sound system	6,696	-	6,696
	91,553	-	91,553
TOTAL FUNDS	345,056	(324,511)	20,545

Comparatives for movement in funds

	At 1.8.19 £	Net movement in funds £	At 31.7.20 £
Unrestricted funds			
General fund	758,427	(110,482)	647,945
TOTAL FUNDS	758,427	(110,482)	647,945

Al-Hijrah Trust

Notes to the Financial Statements - continued for the Year Ended 31 July 2021

12. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	230,415	(340,897)	(110,482)
TOTAL FUNDS	<u>230,415</u>	<u>(340,897)</u>	<u>(110,482)</u>

The Mosque extension fund is related to the project to expand the mosque to create an extra storey. Fundraising for this is ongoing.

The Yemen fund money was raised during Ramadhan 2021 to fund a bakery in Yemen. Al-Hijrah worked with Mercy Relief to purchase the equipment and raw materials to provide bread for thousands of needy people in Yemen.

An appeal was made for a new sound system during Ramadhan 2021 as the existing system was inadequate for the recitation of the Quran. The new system was installed a month later and has been used regularly for Friday prayers.

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 July 2021.