

**Al-Ihsaan Academy
783 - 785 High Road,
Seven Kings, IG3 8RW**

Registered Charity Number: 1164642

**Trustees report and financial statements
For the period from 1 June 2022 to 31 July 2023**

Contents	Page(s)
Reference and Administrative Details of the Charity, its Trustees and Advisers	3
Trustees' Annual Report	4 - 7
Statement of Trustees' Responsibilities	8
Independent Examiner's Report	9
Statement of Financial Activities	10
Balance Sheet	11
Notes to the Financial Statements	12 - 15

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	Al-Ihsaan Academy
Charity Number	1164642
Registered office	783-785 High Road Seven Kings IG3 8RW
Trustees	Muhammad Yasin Karatela Farhan Vali Emran Ahmed
Bankers	Al Rayan Bank plc 97-99 Whitechapel Road London E1 1DT
Solicitors	Hawkins Law 448 Romford Road London E7 8DF
Independent Examiners	Midas Financials Ltd Institute of Financial Accountants, 20-22 Wenlock Road, London, N1 7GU

TRUSTEES' ANNUAL REPORT FOR THE PERIOD 1 JUNE 2022 TO 31 JULY 2023

The trustees present their report with the financial statements of the charity for the period 1 June 2022 to 31 July 2023.

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

The charity is a Charitable Incorporated Organisation, governed by a Constitution, and is registered with the Charity Commission under charity number 1164642.

Organisational Structure

The trustees are responsible for the general control and management of the charity. The trustees give their time freely and receive no remuneration or other financial benefits to fulfil this role. The charity trustees meet on a quarterly basis and are responsible for all decisions taken in relation to the overall control and strategic management of the charity. The operational management of the charity is delegated to sub committees. These sub committees meet on a weekly basis.

Recruitment, Appointment and Training of Trustees

The existing trustees are responsible for the appointment of new trustees. New trustees are brought into the organisation, when required, on the basis of eligibility, competence, specialist knowledge and skills. It is the policy of Al-Ihsaan Academy that each trustee during induction is given a copy of the constitution, the latest accounts, recent meeting minutes and guidance regarding the policies and procedures adopted by the charity.

Risk Management

Risks are assessed, identified, managed and constantly reviewed. A set of policies and procedures are developed to manage risks, which form the internal controls framework. The policies are set by the trustees and the implementations are delegated to the management team. The relevant policies and procedures are communicated to all staff and training is given where applicable. Periodic policy reviews are undertaken in order to ensure the internal controls framework remains relevant. The organisation has both employer liability and public liability insurance policies in place. All employees are put through appropriate Disclosure and Barring Service checks.

Objectives

Al-Ihsaan Academy primarily focus on fulfilling, enriching and serving the spiritual and religious needs of the Muslim community together with serving the community at large.

The objectives of Al-Ihsaan Academy are summarised below:

- To educate Muslims from all walks of life, especially young Muslims, in all aspects of their spiritual and religious development.
- To support the wider community by promoting good morals & conduct and addressing areas of social concern, such as anti-social behaviour, criminality, substance abuse and family breakdown.
- To facilitate a greater awareness and understanding of Islam.
- To address misinterpretation, misunderstanding and misrepresentation of the Islamic faith.
- To assist present and future generations of Muslims to preserve and perfect Islam in their lives.
- To assist in the provision of any charitable services within the limits of the law and particularly within the bounds of Islam.

TRUSTEES' ANNUAL REPORT FOR THE PERIOD 1 JUNE 2022 TO 31 JULY 2023

Public Benefit

The trustees of Al-Ihsaan Academy regularly review the services provided to ensure that there is relevant, targeted, local and public benefit. In carrying out this review the trustees ensure compliance to the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for the public benefit.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The Academy offers a range of activities in pursuit of its objectives stated above for the public benefit. The activities detailed below provide benefit to those who attend the Academy's premises in person as well as the wider public locally and nationally. The Academy was able to expand on these activities with the purchase of the new premises, the former Ilford Preparatory School, which was acquired in September 2017.

Religious Services

The Academy is engaged in positive endeavours in trying to introduce the pristine message of Islam and to educate Muslims and non-Muslims alike on various aspects of the religion. The Academy's current activities and services include:

- **Daily Prayers:** The Academy facilitates the 5 daily prayers, Friday prayers and the two Eid Prayers for the public throughout the year.
- **Evening Madrasah (Islamic Educational classes)** - The Madrasah consists of approximately 330 children (both boys and girls) aged 5-13 who are taught a variety of subjects ranging from Qur'anic recitation, Aqeedah (Islamic Creed), Seerah & Taareekh (Islamic History), Fiqh (Jurisprudence), Akhlaaq (Good Character) etc.
- **Further Education (F.E.) Classes for youth aged 13 and over** - This course was specifically initiated to target those youth who may have left the evening Madrasah and find themselves to have a lot more free time. The aim of this course is to further their Islamic studies and focus on their tarbiyyah (moral and spiritual nurturing) enabling them to become better Muslims and in turn, become better citizens.
- **Hifdh (Qur'an memorisation) Class** - Al-Ihsaan Academy has a Hifdh class operating mornings and evenings. This class is designed to cater for each individual student according to his capabilities and potential, with an emphasis on the importance of Tajwīd (Qur'ānic Phonetics / Intonation) and rules of recitation. The syllabus has been prepared in a manner that will enable a student to memorise the entire Qur'ān (approximately over 6,000 verses) and retain it. Alongside the Hifdh, a lot of emphasis and training is given on spiritual and moral development, to ensure these children who will graduate as Huffadh (those who have memorised the entire Quran) will have the qualities and characteristics expected from a Hafidh.

The above classes cater for all types of children and have proven to be instrumental in safeguarding and enhancing the religious and moral well-being of those who attend.

Prize giving and completion ceremonies for the above are held every year. These events are open to the public and allow them to remain informed of the Academy's educational activities. The End of Year Prize Giving Jalsahs were conducted in July whilst the Mid-year Prize Giving Jalsahs were held in February.

TRUSTEES' ANNUAL REPORT FOR THE PERIOD 1 JUNE 2022 TO 31 JULY 2023

- **Educational Trips** - Al-Ihsaan Academy occasionally holds educational and recreational trips to various places. Fun days are also organised to local parks, and other days are spent on in-house fun educational activities.
- **Holiday Youth Club** - Al-Ihsaan Academy holds a holiday youth club where many youth attend and are able to use the playground and other recreational facilities in a safe, fun and welcoming environment.

Adult Learning Classes - The Academy offers a range of classes for adults in college/university, full time employment or even retired individuals who wish to further their Islamic knowledge. These classes take place during term time only corresponding with the academic calendar. Our students currently benefit from such classes with the following choice of enrolment:

- **Tajweed classes** – These classes take place once a week in the evenings. This class enables the students to learn the correct pronunciation of the Arabic letters with all its qualities and enables students to adorn their recitation of the Glorious Qur'an with all the necessary rules.
- **Essential Islamic Education Classes** – These classes are taught to adults in a welcoming classroom setting once a week in the evenings. Topics range from Aqeedah (Islamic Creed), Seerah & Taareekh (Islamic History), Fiqh (Jurisprudence) and Hadith (traditions of Prophet Muhammad *may peace and blessings be upon him*).

This course is perfect for those individuals who are new to Islam, those who have not had the opportunity to study when young or even for those who want to refresh their core knowledge of Islam.

- **Advanced Islamic Education Classes** - A more in-depth study of Islamic education is imparted to students, once a week, and over a number of years.
- **Hifdh Refresher Classes**

The Hifdh Refresher classes are facilitated for those individuals who have previously memorised the Qur'an and wish to revise and refresh it. Class timings are flexible in order to work around the availabilities of the students.

There were twenty four members of staff engaged in delivering the educational activities described above.

- **Seasonal Programmes** - Occasionally, the Academy holds programmes for the community's benefit. These programmes provide an educational and inspirational boost and address many misconceptions regarding Islam. It also serves as a counselling session and promotes good morals & character.
- **Hajj Programme** - The sacred pilgrimage, is the fifth pillar of Islam. It is a journey that Muslims are required to undertake once in a lifetime subject to meeting certain necessary conditions. Many prospective pilgrims are rightly concerned and mindful to ensure they prepare and educate themselves properly before embarking on such an auspicious journey. To meet these concerns, Al-Ihsaan Academy runs an annual Hajj programme which provides comprehensive guidance to intending pilgrims. The programme discusses the essential rituals of Hajj and is followed by a question and answer session. Beneficial literature is also distributed at the end of the session.

TRUSTEES' ANNUAL REPORT FOR THE PERIOD 1 JUNE 2022 TO 31 JULY 2023

- **Religious and social advice** - The Academy provides support and guidance to the community through the medium of email, phone and direct meetings.
- **Al-Ihsaan Academy's Website** - The prime objective of the website is to help people stay connected with the activities of Al-Ihsaan Academy, as well as up-to-date news on the latest events and services. The website is also utilised to keep the public up to date on the latest appeals & projects, and the outstanding qardh (funds owed to the public which were borrowed in order to purchase the new premises).
- **Publication department** - Informative and inspirational literature is published and/or distributed from time to time in order to further the Academy's objectives. These take the form of leaflets which cover a wide range of topics and contemporary issues impacting the lives of Muslims. Other beneficial educative cards are also published to spread the beautiful teachings of Islam.
- **Nikah Service:** A free service for couples who wish to perform Nikah (the Islamic marriage ceremony) is also provided at Al-Ihsaan Academy.

Fundraising

The Charity has been fundraising to recoup the £2.1m borrowed from the community in order to purchase Al-Ihsaan Academy's premises.

Listed below are some of the methods adopted to raise funds:

1. Distribution of fundraising leaflets outside Masaajid.
2. Raising awareness and providing regular updates via text messages, social media and word of mouth.
3. Online fundraising platforms have been set up such as Paypal.
4. Making appointments in various Masaajid nationally in order to raise funds from their communities.
5. Collection boxes are given to homes of the well-wishers of the Academy.
6. Collection boxes are given to local shops, facilitating for the passing public to also be able to donate.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the laws applicable to charities in England and Wales. The financial statements for each financial year must give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources. 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 2016 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity Accounts and Reports Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence, taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approval

Approved by the trustees on the 31st of May 2024 and signed on their behalf by:

Signature:



Full Name: Mr Farhan Sajid Vali

Position: Trustee

Date: 31st May 2024

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF AL-IHSAAN ACADEMY

I report to the charity trustees on my examination of the accounts of Al-Ihsaan Academy (the Trust) for the period ended 31st July 2023.

Responsibilities and basis of report

As the charity's trustees, 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 The Institute of Financial Accountants 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 confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

Imran Patel
Midas Financials Ltd
Institute of Financial Accountants,
20-22 Wenlock Road,
London, N1 7GU

Signature:



Date: 31st May 2024

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD 1 JUNE 2022
TO 31 JULY 2023**

	Note	Unrestricted Funds 2022-23 £	Restricted Funds 2022-23 £	Total Funds 2022-23 £	Total Funds 2021-22 £
Income					
Donations		78,485	352,003	430,488	237,133
Fees Income		180,712	-	180,712	132,809
Rental Income		17,225	-	17,225	17,225
Book Sales & Literature		8,268	-	8,268	6,941
Zakah		6,754	-	6,754	-
Other income		2,150	-	2,150	31,229
Total income		294,094	352,003	646,097	425,337
Expenditure on:					
Salaries, Pensions & Teaching Services		174,397	-	174,397	119,951
Depreciation		-	37,563	37,563	35,846
Books, Literature & Publications		8,136	-	8,136	3,664
Accountancy fee		600	-	600	600
Maintenance		6,932	-	6,932	5,239
Utilities		9,060	-	9,060	4,724
Zakah		6,754	-	6,754	-
Other expenses		2,781	-	2,781	8,371
Total expenditure		208,660	37,563	246,223	178,395
Net income /(expenditure)		85,434	314,440	399,874	246,942
Net movement in funds for the year		85,434	314,440	399,874	246,942
Total funds b/f at 1 st June 2021 and 1 June 2022		169,112	1,177,642	1,346,754	1,099,812
Total funds at 31 May 2022/31 July 2023	8	254,546	1,492,082	1,746,628	1,346,754

The notes on pages 12 to 15 form part of these financial statements.

BALANCE SHEET AS AT 31 JULY 2023

	Note	2022-23 £	2021-22 £
Fixed assets			
Tangible fixed assets	4	1,581,286	1,619,314
Investment property	5	515,643	398,483
Total fixed assets		2,096,929	2,017,797
Current assets			
Debtors	6	1,350	2,704
Cash at bank and in hand		92,923	144,878
		94,273	147,582
Creditors: amounts falling due within one year	7	(444,574)	(818,625)
Net current assets		(350,301)	(671,043)
Net assets		1,746,628	1,346,754
Charity funds			
Restricted funds	8	1,492,082	1,177,642
Unrestricted funds	8	254,546	169,112
Total funds		1,746,628	1,346,754

The financial statements have been approved by the Board of Trustees on the 31st of May 2024 and were signed on its behalf by:



.....
Farhan Vali | Trustee

The notes on pages 12 to 15 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JUNE 2022
TO 31 JULY 2023**

1. Accounting policies

a) General Information

Al-Ihsaan Academy is a registered charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out on page 2.

b) Basis of preparation of financial statements

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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act, and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include investment property at fair value. The financial statements are prepared in Pound Sterling (£) which is the functional currency of the charity. These financial statements have been prepared for the 14 months period from 1 June 2022 to 31 July 2023. Comparative numbers presented in these financial statements are for the period from 1 June 2021 to 31 May 2022.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

c) Fund accounting

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. In case of Al-Ihsaan, the restricted funds represent donations in relation to purchase of the building net of depreciation charged on the building and fair value of in kind donation of a flat from a donor. The restricted asset represented by the restricted funds is the freehold building and restricted funds in respect of a lease hold flat donated by a donor during the period.

d) 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 in arriving at this conclusion.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JUNE 2022
TO 31 JULY 2023**

e) Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key estimate/ judgement exercised in preparation of these financial statements is relating to useful life of the building acquired during the year.

f) Income

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

Donations are recognised when the charity receives them.

Fees Income is recognised on due basis (accrual basis).

g) Expenditure

Liabilities are recognized where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty. All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where cost cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

h) Taxation

The charity is exempt from tax on its charitable activities.

i) Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes any expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives as indicated below:

Freehold building – 2% per annum straight line

Equipment – 20% per annum straight line

Land is not being depreciated.

The assets residual values, useful lives and depreciation methods are reviewed annually.

j) Investment property

Investment property is shown at fair value. Any aggregate surplus or deficit arising from changes in the fair value is transferred to the statement of financial activities.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JUNE 2022
TO 31 JULY 2023**

k) Debtors

Prepayments are valued at the amount prepaid. Accrued income is measured at the amount due to be received.

l) 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 future funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognized at their settlement amount after allowing for any trade discounts due. Creditors also include fees received in advance.

2. Trustees Remuneration

	2022-23 £	2021-22 £
The amount of remuneration or other benefits paid to a Trustee of the charity were as follows:		
Farhan Vali	19,346	15,053
	<u>19,346</u>	<u>15,053</u>

3. Staff costs

	2022-23	2021-22
The average monthly number of employees during the year was as follows:		
	<u>24</u>	<u>20</u>

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

4. Tangible fixed assets

	Freehold Land £	Freehold Buildings £	Equipment £	Total £
Cost				
At 1 June 2022	661,014	1,046,474	74,739	1,782,227
Additions during the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 July 2023	<u>661,014</u>	<u>1,046,474</u>	<u>74,739</u>	<u>1,782,227</u>
Depreciation				
At 1 June 2022	-	108,136	54,777	162,913
Additions during the period	<u>-</u>	<u>24,138</u>	<u>13,890</u>	<u>38,028</u>
At 31 July 2023	<u>-</u>	<u>132,274</u>	<u>68,667</u>	<u>200,941</u>
Net Book Value				
At 31 July 2023	<u>661,014</u>	<u>914,200</u>	<u>6,072</u>	<u>1,581,286</u>
At 31 May 2021	661,014	661,014	19,962	1,619,314

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JUNE 2022
TO 31 JULY 2023**

5. Investment property

	£
At 1 June 2022	398,483
Additions during the period*	<u>117,160</u>
At 31 July 2023	<u>515,643</u>

Additions during the period represent fair value of a leasehold flat donated by a donor under a Waqf deed.

6. Debtors

	2022-23 £	2021-22 £
Prepayments and other receivables	-	1,354
Security deposit	<u>1,350</u>	<u>1,350</u>
Total	<u>1,350</u>	<u>2,704</u>

7. Creditors: Amounts falling due within one year

	2022-23 £	2021-22 £
Advance fees received	6,485	4,180
Accruals and other payables	2,708	863
Security deposit payable	1,350	1,350
Qardh Hasan (loans repayable on demand)*	<u>434,031</u>	<u>812,232</u>
	<u>444,574</u>	<u>818,625</u>

*The charity has obtained interest free loans (Qardh Hasan) from local community which is repayable on demand.

8. Statement of funds

	Brought Forward £	Incoming Resources £	Resources Expended £	Carried Forward £
Restricted funds*	1,177,642	352,003	(37,563)	1,492,082
Unrestricted funds	<u>169,112</u>	<u>294,094</u>	<u>(208,660)</u>	<u>254,546</u>
Total of funds	<u>1,346,754</u>	<u>646,097</u>	<u>(246,223)</u>	<u>1,746,628</u>

*The restricted funds represent donations received to purchase the building net of depreciation and fair value of the flat received as donation from a donor under Waqf deed. Some of the restricted funds received during the year 22/23 have been used to pay off interest free loans (Qardh Hasan).