

Registered Charity Number 1166742

Birmingham Arabic School

Annual Report & Financial Statements

31st July 2020

Birmingham Arabic School

Annual Report & Financial Statements

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Report of the Trustees for the year ended 31st July 2020

Introduction

The trustees present their annual report and accounts for the year ended 31st July 2020.

The Board of Trustees are satisfied with the performance of Birmingham Arabic School during the year and the position at 31st July 2020. The Board consider that Birmingham Arabic School is in a stable position to continue its activities during the coming year, and that the charity's assets are adequate to fulfil its obligations. The trustees have considered the going concern assumption and are not aware of any significant doubts about the charity's ability to continue as a going concern.

Objectives, Aims and Activities of the Charity

Aims and Objectives

We work to:

Advance the education of the public in the learning and study of the language of Arabic, Arabic culture, languages related to Arabic and languages in general through both extra-curricular classes, state education system, post-secondary education and private education establishments.

Strategy

Birmingham Arabic School believes that the success of our community inherently lies in the achievement of our children.

We feel strongly that real academic progress is founded on a secure platform of all-round healthy development and aided by positive role models who embody the values we aspire our children to have.

This all-round development includes both the intellectual and physical aspect of emotional and spiritual development. We believe promoting these aspects of humanity will catalyse community cohesion, helping to create and sustain communities where all members are valued and work together for the common good.

Our aim is to promote a caring, secure and nurturing environment instilling a strong sense of awareness of the universality of the Islamic faith

We will empower children with the desire to learn about and celebrate diversity through each other's experiences, achievements and contributions to the local community and through a focus on the common good for all.

Our contribution to society and social cohesion is well recognised due to our successful work with the, local schools and the local community groups.

Therefore, part of the school strategy is to continue delivering its teachings despite all the challenges faced during the COVID-19 pandemic and subsequent lockdowns.

What we do:

The school aims to provide moral and academic excellence in a caring and secure environment. We believe that through the partnership of good governance, dedicated staff and caring parents we can provide a balanced opportunity for the realisation of our children's full potential.

Our school values prevail through everything we do: in the moral, the academic and the professional.

These values foster a responsible and caring attitude in our pupils, towards the fellow members of our community and society at large. This includes good manners and behaviour towards parents, as well as a deep respect and sense of duty towards the world we inhabit and the resources

Birmingham Arabic School provides a sound Arabic and Islamic education. Our curriculum aims to equip children with a solid foundation to prepare them for success in whatever they wish to do, time management is key to success.

Our fees are set at an affordable and reasonable level to ensure the financial viability of the school and at a level that is consistent with our aim of providing an excellent education to our pupils. Also, we take into consideration the situation of parents with limited financial resources or those with more than two children in the school, where certain discounts will apply depending on the individual case.

Distance learning was introduced for those who live too far from the school or even outside Birmingham city, and for those who cannot be offered a place due to full classes. This scheme proved to be extremely helpful for those who participated. Since it provided them with a means to receive a reasonable level of education.

Our school welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our school will be able to educate and develop a prospective pupil to the best of their potential. Assessments are undertaken to determine which level the pupil could be placed in as the school is based on academic level rather than age. A pupil goes through to the next stage by passing the three term exams. The levels are Reception A through to A-level.

An individual's economic status, gender, ethnicity, or race do not form part of our assessment processes. The school is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment.

Parents are given regular information about their child's academic progress through parent evenings.

Strive to continue delivering high quality teaching even during challenging times like the pandemic. To achieve this goal, the school very quickly has developed its online teaching system including the teaching materials and the delivery mechanism. All resources were provided including computers, laptops, educational links, and teacher training sessions.

Activities during the year

- 1- During the first two terms of Academic year 19-20, face-to-face teaching, the main activity was to deliver the standard teaching and exams. Also, engage with the parents to increase their involvement in the children education through providing the required support during the weekdays to carry out their homework tasks.
- 2- Carry out certificate handing ceremony for the last year GCSE students, which was attended by their parents, the teachers, and the current GCSE students to encourage them to achieve good results like those achieved by the last year group.
- 3- We maintain the good relationships with other schools like the Chinese, Slovak schools through participating in their social activities, exchanging knowledge and experiences about running a school.
- 4- The quick and efficient adaptation to the online teaching during the lockdown period.

Achievements:

The main achievements during this year are:

- For the first two terms of the Academic year 19-20, we conducted faced to face teaching for 500 students (including the GCSE stage). Where we continued using the developed new book for the reception B class, it proved especially useful in supporting the teaching process for the students of this stage, and we have managed to carry out the exams for the first and second terms. Also, successfully engaged with the other Saturday schools that use Joseph Chamberlain College building, through meetings with other heads of schools and participate in their non-curriculum activities.
- Also during the first two terms, we successfully achieved all the safeguarding requirements, and the routine checks by Joseph Chamberlain College.
- During the first lock down period which spanned during the third term, the school opted for the online teaching system and developed its teaching system, where every class and its two teachers were connected to a specific WhatsApp group. The system was based on sending the teaching materials to the parents/students via email during the week, and during Saturday three-hour slot was available for direct contact between the class and teacher to teach that material and answer relevant questions from the students. The students carried out their homework tasks, scanned it, and returned back to the teachers for marking. Additionally, the school has developed all the required teaching materials in terms of Power points, Words, Pdfs and audio files to be delivered through this online teaching, and all the required logistics for delivering this material. The third term and the final year exams were successfully carried out with success rates around 96%.
- During the lockdown period, special attention was offered to the GCSE stage through extra teaching slots, more mock tests and revision sessions which led to very high achievement grades from EDXCEL exam board for the GCSE results in this year.

These results were:

15 students scored grade 9 (A*)
17 students scored grade 8 (A)
4 students scored grade 7 (B)
2 students scored grade 6 (C)

Challenges:

Uncertainty was the main challenge that the school faced during this academic year:

- 1- During the face-to-face teaching of the first two terms, the main challenge the school faced is the limited space available at JCC College, since that we have occupied the maximum number of classrooms (20) that can be provided by JCC college, which meant that we were unable to increase our impact beyond the current numbers of pupil's (500 students), subjects, or activities.
- 2- Developing the teaching materials and the delivery system for the online teaching during the lockdown period. It was new experience for the school and the timeline to develop and implement it was extremely challenging.
- 3- With COVID-19 risks the JCC College was unable to decide if Birmingham Arabic School can come back to the college building in September 2020 for the coming academic year to resume its face-to-face teaching.
- 4- To function during extremely stressful conditions caused by the pandemic for everyone, including parents, teachers, and management staff.

Our Impact and value to the community

- The provision of free of charge, quality online teaching for 338 students during the pandemic hard and stressful time had a major positive impact on the students' families and added good value for the community.
- While prior to the lockdown and during the first two terms, we continued in supporting families with limited income.
- Also, helping other schools that teach Arabic language through providing them the books that we developed by charging them the real cost only.

Building for the Future – 2020 into 2021

- Learning from the lockdown experience, to further develop and improve the online teaching process through:
 - 1- Enhancing the teaching materials to be more suitable and effective for this kind of teaching system.
 - 2- Further improve teacher experience in delivering direct online teaching through training on how to use the best available online teaching platforms and how to create positive and productive interactive teaching environment.
- Continue to maintain constructive relationship with the principle of Joseph Chamberlain College and participate in all meetings and discussions related to our engagement with JCC. This enhances the school stability and helps to improve our services.
- Publish another new Textbook for Year one and Reception B classes.
- Conduct a feasibility study to assess the capability of the school to expand and open more classes, as we have a waiting list of students wishing to learn Arabic.

Public benefit that is provided by the charity

In setting out our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's guidance on public benefit. The main focus of our activities is intended to provide the facilities for the community of Birmingham.

Name, registered office and constitution of the charity

The full name of the charity is Birmingham Arabic School.

| | |
|----------------------------------|---|
| Charity Number | 1166742 |
| Registration Date | 26 th April 2016 |
| Principle and Registered Address | 54-68 Bissell Street Birmingham B5 7HP Email: birmingham-arabic-school@live.co.uk |
| Board of Trustees | Dr Saad Mustafa Mahmoud Dr Adel Abdul Sabir Mohamed Sabir Dr Mohamed El Hamamy |
| Accountants | Virtus Financial Services Chartered Certified Accountants |
| Bankers | Lloyds Bank, Birmingham |

Structure, Governance and Management

The current working trustees are responsible for the general control and management of the charity. These members give their time freely and receive no remuneration or other financial benefits. The members have a quarterly meeting and are responsible for all decisions taken in relation to running the Birmingham Arabic School and activities provided by the charity.

The day to day running of Birmingham Arabic School is undertaken by the trustees and the head teacher who oversees educational, pastoral and administrative functions with four administrative representatives to:

- Ensure the vision and values of the Birmingham Arabic School is reflected
- Review and benchmark the School's curriculum, teaching practices and examination results.
- Ensure the school is compliant to the Independent School Standard regulations – guidance given by the National Resource Centre for Supplementary Education
- Ensure the range of co-curricular activities available to our pupils is stimulating and challenging.

Risk Management

The Trustees are satisfied that all systems are in place or arrangements are in hand to manage the risks that have been identified, having ensured segregation of duties. In particular Insurance cover is in place and the finances of the School are kept under review.

Appropriate Disclosure and Barring Service (DBS) checks, supported by regularly reviewed policies are made for all those who work with children or other vulnerable groups within the school.

Health and Safety is a key priority and measures have been put in place for regular monitoring and assessments to keep our members and guests safe.

- A- During the face-to-face teaching and while we were using JCC building:
 - 1- Fire and Risk Assessments are regularly undertaken and recorded.
 - 2- Security is reviewed regularly and improved as required with continuous coordination and cooperation with JCC administration and security sections. As part of this coordination, a process was introduced where no parent or visitor can freely enter the building. Instead they will be stopped by JCC reception and they will contact the Arabic school, then a member of staff will escort the visitor to the school main office room, once their session is concluded they will be escorted back to JCC reception. Such process eliminated the chance that any adult from outside the school can come close to any of the school children.
- B- During the lockdown online teaching, safeguarding students during class times was taken very seriously through:
 - 1- Safeguarding regulations were issued to all parents regarding how to deal with the classes and teachers.
 - 2- Teachers were trained on how to apply these safeguarding regulations and what to do in cases of possible breach of these regulations.
 - 3- Two teachers were assigned to each online class room, where one teacher is responsible for carrying out the main teaching duties, and the other teacher is responsible for the safeguarding task.

COVID Statement

The increased infection risk of COVID-19 during March 2020 had its impact on Birmingham Arabic School as follow:

- 1- During the first week of March 2020 an emergency meeting was convened between the principle of Joseph Chamberlain College (JCC) and the head teachers of all schools that use JCC building (including BAS) to discuss possible measures that eliminate or reduce the risks associated with COVID-19. It was a unanimous decision between all parties that the best way forward is to stop access to JCC building from Saturday 21st of March 2020 until further notice.
- 2- Assessing various important parameters and taking into consideration that the school must continue to deliver its education, the school has decided to move it's teaching provision to online during that lock down period.
- 3- To achieve this mission, the school very quickly has developed its online teaching system, where every class and its two teachers were connected to a specific Watts up group. The system was based on sending the teaching materials to the parents/students via email during the week, and during Saturday three-hour slot was available for direct contact between the class and teacher to teach that material and answer relevant questions from the students. Then students will carry out their homework tasks, scan it, and send back to the teachers for mark it. Also, the school has developed all the required teaching materials in terms of Power points, Words, Pdfs and audio files to be delivered through this online teaching, and all the required logistics for delivering this material.
- 4- Considering that during the lockdown period some parents might get COVID-19 infection, lose their jobs, work for less hours, experience stressful conditions, and thus face financial difficulties. Therefore, to ensure teaching continuity for the children, and no one will be left behind the decision was made that Birmingham Arabic School will provide its services for the community free of charge for the rest of the academic year.
- 5- As a direct result of this new arrangement caused by COVID-19 lockdown, the number of students has dropped from **500 to 338 students who continued with the online teaching** and went on to the final exam.
- 6- With the cancellation of the face-to-face GCSE exams, the school prepared detailed assessments for its GCSE students and provided it to JCC as our examination centre. Then JCC submitted these assessments to EDXCEL examination board for approval.
- 7- During July 2020, the school head teacher communicated with JCC principle to explore the return of the school to the college building on the next academic year starting September 2020. The school was informed that, again due to the uncertainty with COVID-19 situation the school would be unable to resume its classroom-based teaching using JCC building in September 2020. Therefore, the school has decided to focus its efforts on the online teaching and further enhance it skills and logistics to ensure effective teaching for the year starting September 2020.
- 8- The school income during the third term of 2020 academic year was significantly eroded as we moved to free of charge online teaching.

Nature of the Governing Document and constitution of the charity

The Charity is a charitable incorporated organisation and governed by the governing document. There are no restrictions in the governing document on the operation of the charity or on its investment powers, other than those imposed by charity law.

Recruitment and appointment of new trustees

The process involves determining the optimum skills, knowledge and experience mix for the: current operational climate and needs, identifying potential members, promoting and explaining the activities of the Board to potential members. Quality, characteristics and qualifications are decided upon when selecting members of the Board of Trustees.

Relationships between the charity and related parties

The induction of new Trustees would include an explanation of the function of the Board of Trustees and appointing a mentor for the new member to the Board of Trustees. An overview of the organisation and its activities is provided. On-going appropriate training is recommended.

The contribution of volunteers

Over the past years with face to face teaching the Birmingham Arabic School had many volunteers who were involved in the school activities and willingly gave their time freely. But with the lockdown restrictions and the online teaching, the role of the volunteers became extremely limited, therefore the school did not have any volunteers this year. Also, the Trustees are professionals in their respective fields and they, together with the office bearers, continue to manage the association on a completely voluntary basis with guidance from the Charity Commission.

Financial Review

Overview

The charity continues to benefit from a steady income stream from its charitable activities (education), the charity raised £106k (2019: £137k). All of the income comes primarily from the charitable activities (education).

Over this past period, the charity spent £123k (2019: £135k). This is largely due to an increase in our charitable activities.

The Statement of Financial Activities show incoming resources for the year of a net outflow of (£16K), (2019: £2k), the majority of the expenditure is spent on delivering the charitable activities as stated in the Charity's aims and objectives.

Support costs

Support costs are vital for effective charity management to ensure our beneficiaries benefit from effective charitable activities. The charity invests appropriately in its infrastructure to prevent loss, fraud of entrusted funds. We aim to maintain a sensible ratio of charitable activity to support costs to guard the charity against over-ambition.

Reserves Policy

Definition

The term "Reserves" is used to describe that part of a charity's income funds that is freely available for its operating purposes not subject to commitments, planned expenditure and spending limits. Reserves do not include endowment funds, restricted funds and designated funds.

The trustees have resolved to establish reserves to provide for future activities, and to provide funding for the expected expenditure for six months ahead. The policy on reserves is that the existing assets are retained to produce income which is wholly utilised to support existing activities. There is no intention in the long term to either increase or reduce the capital significantly. This policy is justified in that it is necessary to preserve income at the present levels in order to maintain the activities of the charity.

The principal funding sources is income generated through charitable activities primarily. The board of trustees are satisfied that the charity's assets are available and adequate to fulfil its obligations in respect of each fund.

Availability and adequacy of assets of each of the funds

The trustees are satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

Free Reserves

The Charity as at 31st July 2020 had free reserves of £72k (2019: £89k). The charity's focus is on cashflow for financial sustainability. The charity's activities are managed in accordance with cash-flow available.

The trustees are monitoring forecasts of income and expenditure planned, assessing future needs, opportunities and contingencies.

Transactions and Financial position

The financial statements are set out on pages 14 to 22

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 Section IA of FRS102 and the Companies Act 2006. As stated in the introduction to this report, the trustees consider the financial performance by the charity during the year to have been satisfactory.

Trustees' Responsibilities

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities Act 2011 and the best practice and prepare the accounts according to the Statement of Recommended Practice and Section IA of FRS102.

In particular, charity law requires the Directors/Trustees, if they prepare accounts on an accruals basis, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Trustees are required to :-

To prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

The Directors/Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with regulations made under the charity legislation. They 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. The Directors/Trustees are also responsible for the contents of the Trustees' report, and the accountant preparing the accounts has no responsibilities in relation to the Trustees' report.

Audit Exemption

For the financial year in question 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 the accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies' subject to small companies' regime.

This report was approved by the board of trustees on 25th August 2021

SAAD MAHMOUD

Dr Saad Mustafa Mahmoud

Trustee

**Report of the Independent Examiner to the trustees
on the accounts of the Charity for the year ended 31 July 2020**

We report on the financial statements of the charity on pages 14 to 22

Respective responsibilities of directors 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 accounts. The trustees consider that an audit is not required for this under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income did not exceed £1,000,000 and I am qualified to undertake the examination by being a qualified member of the Association of Chartered Certified Accountants.

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

examine the accounts under section 145 of the 2011 Act

to follow the procedures laid down in the general Directions given by the Charities Commission under section 145(5)(b) of the 2011 Act

to 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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set in the next statement.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect of the requirements:

to keep accounting records in accordance with section 386 of the Companies Act 2006 and

to prepare accounts which accord with the accounting records, comply with the 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.

The Examiner's relevant professional qualification is: Chartered Certified Accountant

Virtus FS

Chartered Certified Accountants
Birmingham

The date upon which this report was completed is: 25th August 2021

Birmingham Arabic School
Charity Number: 1166742

Statement of Financial Activities
for the year ended 31 July 2020

| | | Unrestricted Funds | Restricted Funds | Total Funds | Total Funds |
|--|-------|-----------------------|---------------------|-----------------|----------------|
| | Notes | 2020 £ | 2020 £ | 2020 £ | 2019 £ |
| Income | | | | | |
| Donations | 3 | - | - | - | 118 |
| Charitable Activities | | 106,611 | - | 106,611 | 137,398 |
| Total Income | | 106,611 | - | 106,611 | 137,516 |
| Expenditure | | | | | |
| Charitable activities | 4 | 123,086 | - | 123,086 | 135,489 |
| Total Expenditure | | 123,086 | - | 123,086 | 135,488 |
| Net Income and Net Movement in funds for the year | | (16,475) | - | (16,475) | 2,028 |
| Reconciliation of funds | | | | | |
| <i>Total funds brought forward</i> | | 88,735 | - | 88,735 | 86,707 |
| Total Funds carried forward | 9 | 72,260 | - | 72,260 | 88,735 |

All activities derive from continuing operations

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 22 form an integral part of these accounts.

Charity Balance Sheet
Birmingham Arabic School
Charity Number: 1166742

Balance Sheet as at 31 July 2020

| | Notes | 2020 £ | 2019 £ |
|---|-------|-----------|-----------|
| <i>The assets and liabilities of the charity :</i> | | | |
| Fixed assets | | | |
| Tangible assets | 7 | 974 | - |
| Total fixed assets | | 974 | - |
| Current assets | | | |
| Debtors | 8 | 1,392 | - |
| Cash at bank and in hand | | 72,395 | 90,285 |
| Total current assets | | 73,786 | 90,285 |
| Liabilities:- | | | |
| Creditors falling due within one year | 9 | (2,500) | (1,550) |
| Net current assets | | 71,286 | 88,735 |
| Total assets less current liabilities | | 72,260 | 88,735 |
| Net assets including pension asset / liability | | 72,260 | 88,735 |
| <i>The funds of the charity :</i> | | | |
| Unrestricted income funds | | 72,260 | 88,735 |
| Restricted income funds | | - | - |
| Total charity funds | 10 | 72,260 | 88,735 |

SAAD MAHMOUD

Dr S M Mahmoud
Trustee

Approved by the board of trustees on 25th August 2021

The notes on pages 17 to 22 form an integral part of these accounts.

Notes to the accounts

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation of the accounts

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 Section 1A of FRS102 and Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The charity has taken advantage of the exemption from the requirement to produce a cash flow statement.

Birmingham Arabic Schools meets the definition of a public entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Preparation of the accounts on a going concern basis

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

There were no key judgements made by the trustees which have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next accounting period.

c) Income

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

d) Expenditure and irrevocable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities, includes the costs undertaken to further the purposes of the charity and their associated costs.
- Raising funds, where the charity incurs costs of fundraising costs.
- Support costs of activities for charitable purposes comprising any costs including salary costs of any staff that are involved with supporting the charitable activities.
- Governance costs shall include all expenditure directly incurred in the management of the charity's assets and compliance with charitable and statutory requirements.

The methods and principles for the allocation and apportionment of all costs between the different activity categories of resources set out above are:-

Notes to the accounts (continued)

There are a number of costs, where it is impracticable to allocate these costs precisely between administration and charitable expenditure and the trustees have allocated such costs on the basis of reasonable estimates as follows: On the basis of salary costs and estimated time spent on different activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Tangible fixed assets

Individuals fixed assets costing £500 or more are capitalised at costs and depreciated over their estimated useful economic life on a straight line basis.

| | |
|-------------------------------|-----|
| Computer and Office equipment | 25% |
|-------------------------------|-----|

f) 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.

g) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments in short term deposit accounts.

h) 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.

i) Taxation

The charity meets the criteria and tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable company for UK taxation purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within the categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992. No corporation tax liability arises in the accounts.

j) Funds Accounting

Funds held by the charity are:

- Restricted funds – these are funds which are subject to specific conditions imposed by the donors or when funds are raised for a particular restricted purpose. The Charity at present holds no restricted funds.
- Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Notes to the accounts (continued)

1. Surplus for the financial year

| | 2020 | 2019 |
|----------------------------------|---------|---------|
| | £ | £ |
| This is stated after crediting: | | |
| Revenue from ordinary activities | 106,611 | 137,516 |

2. Expenses paid to trustees

| | 2020 | 2019 |
|---|------|------|
| | £ | £ |
| The aggregate amount of expenses paid to trustees was | Nil | Nil |

3. Income

| | Educational Services | 2020 Total | 2019 Total |
|---------------------------|----------------------|----------------|----------------|
| | £ | £ | £ |
| <i>Income from</i> | | | |
| Donations | - | - | 118 |
| Charitable Activities | 106,611 | 106,611 | 137,398 |
| Total Income | 106,611 | 106,611 | 137,516 |

Notes to the accounts (continued)

Expenditure

| | | | |
|-------------------------------|-----------------|-----------------|----------------|
| Charitable activities | 123,086 | 123,086 | 135,488 |
| Total Expenditure | <u>123,086</u> | <u>123,086</u> | <u>135,488</u> |
| Net Income by activity | <u>(16,475)</u> | <u>(16,475)</u> | <u>2,028</u> |

4. Analysis of charitable expenditure by activity

| | Educational Services | Total 2020 | Total 2019 |
|--|---------------------------------|-----------------------|-----------------------|
| Nature of charitable expenditure | £ | £ | £ |
| Activities undertaken directly | 86,314 | 86,314 | 97,031 |
| Support costs of charitable activities (see Note 5) | 36,772 | 36,772 | 38,457 |
| Total charitable expenditure analysed by activity | <u>123,086</u> | <u>123,086</u> | <u>135,488</u> |

5. Analysis of Total Support Costs by Activity

| | General Support | Total 2020 | Total 2019 |
|---|------------------------|----------------------|----------------------|
| Nature of support costs | £ | £ | £ |
| Educational Support Costs | 34,935 | 34,935 | 37,207 |
| Governance Costs | 1,838 | 1,838 | 1,250 |
| Total support costs analysed by activity | <u>36,772</u> | <u>36,772</u> | <u>38,457</u> |

Notes to the accounts (continued)

6. Staff Costs and Emoluments

The Charity had no employees in 2020 and 2019.

Volunteers have donated an unquantifiable amount of time to Birmingham Arabic School of which is impossible to reflect.

There were no fees or other remuneration to the trustees.

There were no employees with emoluments in excess of £60,000 per annum.

7. Tangible Fixed Assets

| | Fixtures, fittings and office equipment | Total |
|---------------------------------|--|--------------|
| Cost | | |
| As at 1st August 2019 | - | - |
| Additions | 1,298 | 1,298 |
| As at 31st July 2020 | 1,298 | 1,298 |
| Accumulated Depreciation | | |
| As at 1st August 2019 | - | - |
| Charge for the period | (325) | (325) |
| As at 31st July 2020 | (325) | (325) |
| Net Book Value | | |
| As at 31st July 2020 | 974 | 974 |
| As at 31st July 2019 | - | - |

8. Debtors:

| | 2020 £ | 2019 £ |
|------------------------------|-----------|-----------|
| Trade Debtors – Student Fees | 1,392 | - |

9. Creditors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|--------------------------------|--------------|--------------|
| Trade creditors | 2,500 | 1,250 |
| Trade creditors – Student Fees | - | 300 |
| | 2,500 | 1,550 |

10. Analysis of assets and liabilities representing funds

| At 31 July 2020 | Unrestricted funds | Restricted Funds | Total Funds |
|-----------------------|--------------------|------------------|---------------|
| | £ | £ | £ |
| Tangible Fixed Assets | 974 | - | 874 |
| Current Assets | 73,786 | - | 73,786 |
| Current Liabilities | (2,500) | - | (2,500) |
| | 72,260 | - | 72,260 |

The individual funds included above are :-

| | Funds at 2019 | Movements in Funds as below | Transfers Between Funds | Funds at 2020 |
|-----------------------|---------------|-----------------------------|-------------------------|---------------|
| | £ | £ | £ | £ |
| Charitable activities | 88,735 | (16,475) | - | 72,260 |
| | 88,735 | (16,475) | - | 72,260 |

Analysis of movements in funds as shown in the table above

| Incoming Resources | Outgoing Resources | Gains & Losses | Movement In funds |
|--------------------|--------------------|----------------|-------------------|
| £ | £ | £ | £ |
| 106,611 | 123,086 | - | (16,475) |
| 106,611 | 123,086 | - | (16,475) |

11. Endowment Funds

The charity had no endowment funds in the year ended 2020 (2019: £Nil).