

Darul Atfaal

Unaudited Financial Statements

31 March 2023

YUSUF BADAT & CO-CHARTERED CERTIFIED ACCOUNTANT

Yusuf Badat FCCA Chartered Certified Accountant

154 Melbourne Road

Leicester

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LE2 0DT

Darul Atfaal

Financial Statements

Year ended 31 March 2023

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Darul Atfaal

Trustees' Annual Report

Year ended 31 March 2023

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2023.

Reference and administrative details

Registered charity name Darul Atfaal

Charity registration number 1177668

Principal office 31 Palmerston Road
London
E7 8BH
UK

The trustees

V Bhikhi
S Bhikhi
S Patel

Accountant

Yusuf Badat FCCA Chartered Certified Accountant
154 Melbourne Road
Leicester
Leicestershire
LE2 0DT

Darul Atfaal

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Structure, governance and management

The trustees have pleasure in presenting their report for the year ended 31 March 2023 in accordance with the Charity Commission's Recommendations and guidelines.

Status & Administration & Responsibilities & Obligations:

This year, the charity has seen some significant challenges coupled with a unique chance to learn some unprecedented new endeavours. The aftermath of the Covid lockdown has found charities like ours, in challenging circumstances. The effect of the pandemic is still being experienced and felt by our service users, families and particular children. Varying from mindful wellbeing programmes to foodbanks, Darul Atfaal strived to create ease and comfort whilst continuing its aspirations to get back to some sort of normality.

The Trust members and its members and volunteers continue to follow guidance set by local and national governments, for charities. The trust has sought advice from officials and members of the community who have helped the trust run its services with smooth transitions. This included training our staff, parents, volunteers and the public to continue to be cautious and work in safe space in and around the trust's services. Although social distancing has now been phased out, staff and children continued to keep a safe space whilst learning and teaching. Precautions are always kept in place to ensure the risks of illness and general wellbeing is never compromised. We remain grateful to one and all for their effort and continued support in ensuring the well-being and safety of others was never compromised. To date there are over 400 children attending the educational supplementary school during the weekday evenings and weekend mornings, ranging from 5 to 16 years in age with a total of 30 staff members and 11 volunteers.

In addition, Darul Atfaal took up the initiative of raising funds for families who have struggled with basic needs such as food and medicine. The general public have come out in their numbers to support such projects.

We remained actively engaged with other community and faith groups in the city in sharing good practices and in organising support for the vulnerable individuals and groups. We are pleased to report that the most challenging period during the year has been met with constructively and positively. We remain grateful to all our communities, our members and volunteers for their assistance, support and cooperation during this unprecedented challenging time.

By the grace of the Almighty, the Trust is operating as a vibrant organisation in making community services provisions. The trustees meet with individuals and groups, both locally and nationally and shares its vision of being a model educational supplementary institute in modern Britain. The trust and its members together with the students it caters for are all advocates of noble Islamic values that are incorporated with British values.

We review our objectives and activities regularly ensuring compliance with the Charity Commission's general guidance. In addition, the review assists us in ensuring that all our programmes and activities remain aligned to our stated & agreed objectives & purposes.

Risk Management:

The trust operates its accounts with leading banks to minimise disruption and risk. The Trust does not have any investment portfolio nor a property of its own although we still intend to purchase a property located in East London, 79 Market Street E6. This project has been somewhat challenging due to factors out of the charity's control.

We have an ongoing review of the risks which the charity faces in respect of the sector in which it

Darul Atfaal

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

operates and plan to manage such risks and mitigate their effects.

Responsibilities of the Trustees:

Darul Atfaal takes safeguarding of Adults and Children and anyone else who encounters Darul Atfaal extremely seriously. The policy statements are prepared and endorsed in addition to DBS checks for all staff including the volunteers and members who work with or around children. All staff are regularly trained in safeguarding and health and safety. Darul Atfaal also takes legal framework very seriously in complying with existing legislative obligations for the charitable organisation like the Trust. There is always an ongoing review of our policies and procedures ensuring that new guidance is taken seriously and that our policies and procedures are aligned to the most current requirements.

Objectives and activities

Trust Charity Objectives:

The primary objective of the trust is to provide religious education for the local and wider community. Our services are tailored to the needs of the trust's users. Darul Atfaal also thrives in liaison with other interfaith communities as it aims to create a harmonious environment and society to live in.

Principle policy to guide our work in achieving the Charity's future objectives:

To establish a religious place for prayer and facilities for the Muslim and other communities in accordance with the Islamic, moral and lawful teachings, offering public space for worshippers in a safe, peaceful and appealing environment; a space where service users can pray and meditate in their obligatory religious duties, meet and mingle for building healthy rapports with other members of the community and build and create bridges with other and non-faiths within the community.

To establish an supplementary (school) in offering safe and secure learning environment for young people the older generation and the most vulnerable and other ancillary buildings to be used for achieving the same objectives in providing community services in line with the Trust objectives.

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Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Achievements and performance

Activities and achievements:

The charity is managed and run by the group of committed volunteers, who offer their time and expertise selflessly. The Trust representatives have always remained on the forefront in actively participating with statutory organisations and voluntary sector groups in addressing the issues affecting the local community.

Charity's performance during the year:

The list of programmes and activities for the year continues to grow but following outlines the broad spectrum of our work:

Management and running of the Islamic supplementary school:

Darul Atfaal offers Islamic educational classes for students aged 4 and over. Lessons are delivered in an interactive fashion by qualified members of staff, who are well versed with the challenges facing our young ones in this modern era.

Adult Islamic education classes for men and women:

Men and women have benefitted from the classes, and they have been able to increase their knowledge in basic Islamic teachings and perfect their recitation of the holy Qur'aan.

These sessions for adults are held on weekday evening and weekend mornings. Adults attend based on their own availability and convenience.

Swimming Sessions:

We teamed up with a local Leisure centre to provide swimming facilities for both men and women within an Islamic framework. This enabled member of the community to partake in swimming lessons and sessions that subsequently built their self-confidence and self-esteem, when they otherwise would have shied away from doing so. The swimming sessions are for children, men and women.

Trips:

Darul Atfaal organised numerous trips and outings for students and members of the wider community. One such example is a 4-day trip to Hawick, Scotland, similar to previous years. 3 groups of 40 adults and children travelled to Hawick and took part in recreational activities such as Archery, Paintballing, Swimming, Zip line and Quad biking.

Darul Atfaal has enjoyed a good reputation in the local community and has managed to create a positive profile within the East London area, delivering on its organisational objectives and providing an essential service to the community. We remain focussed on our objectives and purposes in designing our programmes and activities. We promote active participation of community volunteers and take regular feedback from service users. We thank all our users for their cooperation and support, our supporters and volunteers for their dedicated help and all the trustees and executive council for their commitments and contributions in making the year a successful one. As trustees, we sincerely hope that your cooperation will continue as, enabling us to continue providing valuable community services through the Trust.

Darul Atfaal

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Financial review

Total income and outgoing resources:

Total income for the year was £236,601 (Last Year £403,092)

Total spent for the year was £245,351 (Last Year £120,848) including depreciation Surplus/Deficit for the year was -£8,750 (Last Year £282,244)

Incoming resources-Voluntary income: Donations received was £62,786 (Last Year £252,524)

Activities for Generating Funds-Madressa fees:

Gross Madressa's fees received was £118,244 (Last Year £112,712)

Activities for Generating Funds-Swimming Lessons and others

Gross income for swimming lessons and other activities was £45,056 (Last Year £37,031)

Activities for Generating Funds-Book Shop

Bookshop sales was £10,515 (Last Year £825)

There may be overlaps in activities for generating funds but overall all incomes have been declared

Resources Expended on activities:

Madressa cost including Ustad wages and related expenses was £112,127 (Last Year £78,729)

Swimming lessons and other activities cost was £48,673 (Last Year £13,506) which included payment to swimming instructors. Book shop costs was £7,438 (Last Year £118), however there may be overlap in activity expenditures and few may have been taken in other activities

Governance Cost:

Governance cost was £66,811 (Last Year £34,956) - including depreciation cost of £4,925 (Last Year £6,546)

Financial instruments

The Charity does not deal in complex financial instruments.

Trustees' responsibilities statement

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

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each 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.

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Trustees' Annual Report *(continued)*

Year ended 31 March 2023

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 applicable Charities SORP;
- make judgments and accounting 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 business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Trust Deed. 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 trustees' annual report was approved on 30 January 2024 and signed on behalf of the board of trustees by:

V Bhikhi
Trustee



S Bhikhi
Trustee



S Patel
Trustee



Darul Atfaal

Independent Examiner's Report to the Trustees of Darul Atfaal

Year ended 31 March 2023

I report to the trustees on my examination of the financial statements of Darul Atfaal ('the charity') for the year ended 31 March 2023.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements 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

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 charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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.



Yusuf Badat FCCA
Chartered Certified Accountant
Independent Examiner

154 Melbourne Road
Leicester
Leicestershire
LE2 0DT

Darul Atfaal

Statement of Financial Activities

Year ended 31 March 2023

		2023		2022
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	62,786	62,786	252,524
Other trading activities	5	173,815	173,815	150,568
Total income		<u>236,601</u>	<u>236,601</u>	<u>403,092</u>
Expenditure				
Expenditure on raising funds:				
Costs of raising donations and legacies	6	10,337	10,337	—
Costs of other trading activities	7	167,578	167,578	85,892
Expenditure on charitable activities	8	66,811	66,811	34,956
Other expenditure	9	625	625	—
Total expenditure		<u>245,351</u>	<u>245,351</u>	<u>120,848</u>
Net (expenditure)/income and net movement in funds		<u>(8,750)</u>	<u>(8,750)</u>	<u>282,244</u>
Reconciliation of funds				
Total funds brought forward		358,984	358,984	76,740
Total funds carried forward		<u>350,234</u>	<u>350,234</u>	<u>358,984</u>

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

The notes on pages 10 to 15 form part of these financial statements.

Darul Atfaal

Statement of Financial Position

31 March 2023

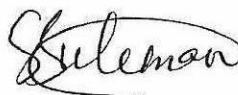
	Note	2023 £	2022 £	£
Fixed assets				
Tangible fixed assets	13	321,095		21,225
Current assets				
Debtors	14	—	10,000	
Cash at bank and in hand		52,565	349,009	
		<u>52,565</u>	<u>359,009</u>	
Net current assets		<u>52,565</u>		359,009
Total assets less current liabilities		<u>373,660</u>		380,234
Creditors: amounts falling due after more than one year	15	<u>23,426</u>		<u>21,250</u>
Net assets		<u>350,234</u>		<u>358,984</u>
Funds of the charity				
Unrestricted funds		<u>350,234</u>		<u>358,984</u>
Total charity funds	17	<u>350,234</u>		<u>358,984</u>

These financial statements were approved by the board of trustees and authorised for issue on 30 January 2024, and are signed on behalf of the board by:

V Bhikhi
Trustee



S Bhikhi
Trustee



S Patel
Trustee



The notes on pages 10 to 15 form part of these financial statements.

Darul Atfaal

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 31 Palmerston Road, London, E7 8H, UK.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

3. Accounting policies *(continued)***Tangible assets** *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 27% reducing balance
Motor vehicles	- 20% reducing balance
Equipment	- 33% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

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Notes to the Financial Statements (continued)

Year ended 31 March 2023

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Donations				
Donations	29,570	29,570	31,264	31,264
Other Donations	—	—	221,260	221,260
HMRC Gift Aid	33,216	33,216	—	—
	<u>62,786</u>	<u>62,786</u>	<u>252,524</u>	<u>252,524</u>

5. Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Madressa Fee Received activities type 1	118,244	118,244	112,712	112,712
Swimming Lessons & Other activities type 2	45,056	45,056	37,031	37,031
Books Sales activities type 3	10,515	10,515	825	825
	<u>173,815</u>	<u>173,815</u>	<u>150,568</u>	<u>150,568</u>

6. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Costs of raising donations and legacies - Donations	10,337	10,337	—	—

7. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Costs of other trading activities - Shop costs	167,578	167,578	85,892	85,892

8. Expenditure on charitable activities by activity type

	Support costs £	Total funds 2023 £	Total fund 2022 £
Governance costs	66,811	66,811	34,956

Darul Atfaal

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

9. Other expenditure

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Other expenditure - type 6	625	625	—	—

10. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	4,925	6,546

11. Independent examination fees

	2023 £	2022 £
Fees payable to the independent examiner for: Independent examination of the financial statements	—	1,250

12. Trustee remuneration and expenses

There was no remuneration paid to trustees

13. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 April 2022	—	6,521	21,160	9,337	37,018
Additions	304,795	—	—	—	304,795
At 31 March 2023	<u>304,795</u>	<u>6,521</u>	<u>21,160</u>	<u>9,337</u>	<u>341,813</u>
Depreciation					
At 1 April 2022	—	3,759	6,442	5,592	15,793
Charge for the year	—	746	2,943	1,236	4,925
At 31 March 2023	<u>—</u>	<u>4,505</u>	<u>9,385</u>	<u>6,828</u>	<u>20,718</u>
Carrying amount					
At 31 March 2023	<u>304,795</u>	<u>2,016</u>	<u>11,775</u>	<u>2,509</u>	<u>321,095</u>
At 31 March 2022	<u>—</u>	<u>2,762</u>	<u>14,718</u>	<u>3,745</u>	<u>21,225</u>

14. Debtors

	2023 £	2022 £
Prepayments and accrued income	—	10,000

Darul Atfaal

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

15. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Accruals and deferred income	1,875	1,250
Other creditors	21,551	20,000
	<u>23,426</u>	<u>21,250</u>

16. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £124 (2022: £Nil).

17. Analysis of charitable funds

Unrestricted funds

	At 1 April 2022	Income	Expenditure	At 31 March 2023
	£	£	£	£
General funds	358,984	236,601	(245,351)	350,234

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
General funds	76,740	403,092	(120,848)	358,984