

DARUL ULOOM AL ARABIYA AL ISLAMIYA

England & Wales · Charity number 506980

Details

Other names DARYL ULOOM AL ARABIYA AL ISLAMIYA

Status Registered

Legal form Other

Registered 1977-11-29

Register [View on the Charity Commission register](#)

Contact

Address Holcombe Old Road
Holcombe
Bury
BL8 4NG

Phone 01706826106

Activities

Objects: THE OBJECTS OF THE CHARITY ARE TO ESTABLISH AND OPERATE THE INSTITUTION FOR THE PURPOSE OF TRAINING STUDENTS FOR THE ISLAMIC PRIESTHOOD, AND FOR THE FURTHER EDUCATION OF QUALIFIED ISLAMIC PRIESTS.

Activities: The promotion and the advancement of education and the advancement of Islamic faith particularly by establishing and operating an institution.

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Religious Activities
- **Who:** Children/young People, Elderly/old People, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Bury

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£1,251,427	£1,277,064	£2,515,227	66
2023-08-31	£1,300,595	£1,140,430	£2,540,864	66
2022-08-31	£820,847	£960,061	£2,380,699	66
2021-08-31	£711,725	£775,879	£2,519,913	50
2020-08-31	£676,837	£648,480	£2,584,067	60

Trustees

Name	Role	Appointed
IBRAHIM MOHAMMAD AMIN GAJARIA		2018-03-19
NAUSHAD ABDUL AZIZ		2014-08-14
RACHID DAUD ISMAEL		2019-11-18
SULAIMAN HAFEJEE		2017-12-20

DARUL ULOOM AL ARABIYA AL ISLAMIYA

England & Wales - Charity number 506980

Accounts

DARUL ULOOM AL ARABIYA AL ISLAMIYA
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

Xeinadin Audit Ltd (Statutory Auditor)
Ground Floor
Citygate
Longridge Rd
Preston
PR2 5BQ

DARUL ULOOM AL ARABIYA AL ISLAMIYA

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 4
Report of the Independent Auditors	5 to 6
Statement of Financial Activities	7
Statement of Financial Position	8
Statement of Cash Flows	9
Notes to the Statement of Cash Flows	10
Notes to the Financial Statements	11 to 15

DARUL ULOOM AL ARABIYA AL ISLAMIYA

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2024

Trustees	Naushad Abdul Aziz Sulaiman Hafejee Ibrahim Mohammad Amin Gajaria Rachid Daud Ismael
Principal address	149 Holcombe Old Road Holcombe Bury Lancashire BL8 4NG
Registered charity number	506980
Independent auditors	Xeinadin Audit Ltd (Statutory Auditor) Ground Floor Citygate Longridge Rd Preston PR2 5BQ

The Trustees present their Annual Report and the accompanying financial statements for the year ended 31 August 2024. These have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts under the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and activities

Objectives and aims

The Trust's core charitable objective, as set out in its founding deed, is to establish and operate an educational institution dedicated to the training of students for Islamic scholarship and priesthood, as well as the continued education of qualified Islamic scholars. In pursuit of this mission, the Charity oversees the operation of Darul Uloom Al Arabiya Al Islamiya, a registered independent boarding school for boys (DfE Registration No. 351/6007).

The institution provides a comprehensive curriculum integrating advanced Islamic sciences with a robust secular education across KS3, KS4, and KS5. Students, aged between 11 and 23, are nurtured to become not only knowledgeable scholars but also engaged global citizens. The school has consistently prepared its graduates for successful transitions into higher education, with many alumni progressing to undergraduate, graduate, and doctoral studies in a wide array of disciplines.

Darul Uloom takes pride in fostering spiritual refinement, intellectual rigour, and moral leadership among its pupils. With an emphasis on holistic development, the school environment nurtures social awareness, emotional intelligence, and spiritual consciousness within an inclusive and respectful setting. The seminary remains fully committed to upholding its values while embracing the cultural diversity of its student body.

Educational Philosophy and Student Experience

Darul Uloom's educational model is deliberately student-centric, with a curriculum designed to meet the linguistic, scientific, mathematical, moral, social, technological, aesthetic, physical, and spiritual needs of its learners. Its flagship Islamic theology programme is grounded in classical scholarship and contextualised for contemporary challenges, equipping students to serve as scholars, educators, chaplains, and leaders in diverse settings.

The school fosters an enriching boarding experience, where students live, learn, and grow together in a structured environment that promotes independence, discipline, and spiritual growth. Student-led initiatives and culturally enriching activities cultivate a deep sense of community, multi-cultural understanding, and civic responsibility.

Boarding and Facilities Development

The Trustees remain deeply committed to enhancing the boarding and learning environments. In the reporting year, substantial capital investment was made towards the refurbishment and modernisation of core facilities. Key achievements include:

- Replacement of aged roofing materials to prevent ingress and improve insulation.
- Installation of double-glazed insulated windows throughout the boarding facilities.
- Damp-proofing and refurbishment of historical blocks, including external façade restoration.
- Overhaul of the heating infrastructure in teaching spaces to ensure energy efficiency and year-round comfort.

While further improvement plans were initially envisioned, inflationary pressures and rising operational costs necessitated the reprioritisation of funds to safeguard the quality of existing provision.

Location and Historical Background

Darul Uloom Al Arabiya Al Islamiya holds the distinction of being the United Kingdom's oldest Islamic seminary of its kind. Established in 1973 by the late Shaykh al-Hadith Hazrat Maulana Yusuf Motala (rahimahullah), the institution relocated in 1977 to its current site at Holcombe Hall, a prominent historical estate nestled in the village of Holcombe, within the Metropolitan Borough of Bury, Greater Manchester. Situated on the edge of the West Pennine Moors, the campus offers a serene and reflective environment conducive to spiritual and academic development, while remaining well connected via the M66 and surrounding road networks.

Achievement and performance

Charitable activities

Academic Outcomes and Performance

Darul Uloom continues to demonstrate academic excellence, as evidenced by significant gains in student outcomes.

GCSE 2024 Highlights:

- English and Mathematics: 78% of students achieved grade 4 or higher.
- Mathematics: 100% attained at least a grade 4.
- Science: 91% achieved grade 4 or above.
- English Baccalaureate (EBacc):
- 94% entry rate (vs. 30% local and 40% national).
- Average point score: 5.28 (vs. 3.93 local, 4.07 national).
- Attainment 8 Score: 46.9, exceeding the local authority average by 1.9 points.

Sixth Form Performance:

The School maintained an exceptional Sixth Form pass rate across nearly all subjects, with only a single exception. The Trustees continue to drive excellence through strategic improvements to teaching quality, data-driven interventions, and enriched pastoral support, with a sustained focus on both attainment and value-added outcomes.

Financial review

Financial position

The Charity's financial position remains stable. Its principal revenue streams are tuition fees and charitable donations. The 2024 Ramadan fundraising campaign, delivered with enhanced coordination and outreach, yielded exceptional support from the wider community. The Charity is now registered with the Fundraising Regulator, reflecting its commitment to transparency and best practices in fundraising.

Although staffing costs increased due to efforts to maintain low student-teacher ratios, core expenditures have remained consistent. Nevertheless, operational costs, particularly those related to boarding provision and energy, have risen sharply in line with national trends.

Reserves

It is the Trustees' policy to maintain unrestricted reserves equivalent to 12 months of regular expenditure. This reserve level ensures financial resilience, supports forward planning, and mitigates risks associated with unforeseen disruptions. The current reserves remain within the target range.

Strategic Outlook and Future Plans

Looking ahead, the Trustees are committed to consolidating academic gains and broadening the school's co-curricular and pastoral provision. Strategic priorities for the coming year include:

- Expansion of academic enrichment opportunities and mentoring support.
- Collaboration with peer institutions for benchmarking and exchange of best practice.
- Enhancement of management information systems and internal communications.
- A full-scale review of the co-curricular programme to strengthen spiritual, physical, and creative development in a sustainable framework.

The Trustees are also exploring new avenues of investment, including potential partnerships and capital development opportunities, to future-proof the school's infrastructure and deepen its impact.

Structure, governance and management

Governing document

The Charity operates under a trust deed dated 1 November 1977, as variously amended, and is registered with the Charity Commission (No. 506980).

Trustee Appointment and Leadership

Trustees are appointed by existing members of the Board. The Principal, appointed by the Trustees, holds responsibility for the day-to-day management and staffing of the school.

Organisational oversight

Trustees meet regularly to determine strategic direction, review performance, monitor risks, and uphold the institution's charitable aims. Policies and procedures are continuously reviewed to ensure compliance, accountability, and educational excellence.

Induction and training

While new trustees are inducted through informal means, they are encouraged to attend sector-specific training and development programmes. No new trustees were appointed during the reporting period.

Risk Assessment

The Trustees actively monitor and evaluate risks across all operational domains. Where significant risks are identified, appropriate mitigation strategies and control systems are implemented. Areas under continued review include safeguarding, health and safety, financial sustainability, and compliance with evolving regulatory frameworks.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024

Statement of trustees' responsibilities

The trustees are responsible for preparing the Report of the Trustees 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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 18/07/2025 and signed on its behalf by:


.....
Naushad Abdul Aziz - Trustee

Opinion

We have audited the financial statements of Darul Uloom Al Arabiya Al Islamiya (the 'charity') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
DARUL ULOOM AL ARABIYA AL ISLAMIYA**

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act, data protection, anti-bribery, employment, health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Xeinadin Audit Ltd (Statutory Auditor)
Ground Floor
Citygate
Longridge Rd
Preston
PR2 5BQ

Date: 23/07/2025

DARUL ULOOM AL ARABIYA AL ISLAMIYA

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2024

		2024 Unrestricted funds £	2023 Total funds £
Income and endowments from	Notes		
Donations and legacies	2	362,657	412,376
Charitable activities	3		
Charitable activities		<u>888,770</u>	<u>888,219</u>
Total		<u>1,251,427</u>	<u>1,300,595</u>
Expenditure on			
Charitable activities	4		
Charitable activities		<u>1,277,064</u>	<u>1,140,430</u>
NET INCOME/(EXPENDITURE)		(25,637)	160,165
Reconciliation of funds			
Total funds brought forward		<u>2,540,864</u>	<u>2,380,699</u>
Total funds carried forward		<u><u>2,515,227</u></u>	<u><u>2,540,864</u></u>


The notes form part of these financial statements

DARUL ULOOM AL ARABIYA AL ISLAMIYA

STATEMENT OF FINANCIAL POSITION
31 AUGUST 2024

	Notes	2024 Unrestricted funds £	2023 Total funds £
Fixed assets			
Tangible assets	8	2,523,442	2,420,766
Current assets			
Debtors	9	102,279	97,850
Cash at bank and in hand		<u>45,373</u>	<u>155,854</u>
		147,652	253,704
Creditors			
Amounts falling due within one year	10	<u>(155,867)</u>	<u>(133,606)</u>
Net current assets		<u>(8,215)</u>	<u>120,098</u>
Total assets less current liabilities		<u>2,515,227</u>	<u>2,540,864</u>
NET ASSETS		<u>2,515,227</u>	<u>2,540,864</u>
Funds			
Unrestricted funds	11	<u>2,515,227</u>	<u>2,540,864</u>
Total funds		<u>2,515,227</u>	<u>2,540,864</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 18/07/2025 and were signed on its behalf by:


.....
Naushad Abdul Aziz - Trustee

 18.7.25
.....
Sulaiman Hafejee - Trustee

DARUL ULOOM AL ARABIYA AL ISLAMIYA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	<u>34,768</u>	<u>145,879</u>
Net cash provided by operating activities		<u>34,768</u>	<u>145,879</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(145,249)</u>	<u>(101,272)</u>
Net cash used in investing activities		<u>(145,249)</u>	<u>(101,272)</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		<u>155,854</u>	<u>111,247</u>
Cash and cash equivalents at the end of the reporting period		<u>45,373</u>	<u>155,854</u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

1. Reconciliation of net (expenditure)/income to net cash flow from operating activities	2024 £	2023 £	
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(25,637)	160,165	
Adjustments for:			
Depreciation charges	42,573	42,700	
(Increase)/decrease in debtors	(4,428)	16,503	
Increase/(decrease) in creditors	<u>22,261</u>	<u>(73,489)</u>	
Net cash provided by operations	<u>34,768</u>	<u>145,879</u>	
2. Analysis of changes in net funds	At 1.9.23 £	Cash flow £	At 31.8.24 £
Net cash			
Cash at bank and in hand	<u>155,854</u>	<u>(110,481)</u>	<u>45,373</u>
	<u>155,854</u>	<u>(110,481)</u>	<u>45,373</u>
Total	<u>155,854</u>	<u>(110,481)</u>	<u>45,373</u>

1. **Accounting policies**

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

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

Tangible fixed assets

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

Freehold property	- 2% per annum straight line basis
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 15% on reducing balance

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash and bank in hand, trade debtors and other debtors £29,880 (2023: £253,704). Financial liabilities held at amortised cost comprise all creditors except social security and other taxes £149,860 (2023: £133,606).

2. Donations and legacies					
				2024	2023
				£	£
Donations				<u>362,657</u>	<u>412,376</u>
3. Income from charitable activities					
				2024	2023
				£	£
School fees	Activity			<u>888,770</u>	<u>888,219</u>
	Charitable activities				
4. Charitable activities costs					
				Direct	Support
				Costs	costs (see
				£	note 5)
Charitable activities				<u>855,003</u>	<u>422,061</u>
					Totals
					£
					<u>1,277,064</u>
5. Support costs					
				Management	Finance
				£	£
Charitable activities				<u>328,028</u>	<u>2,096</u>
					Governance
					costs
					£
					<u>91,937</u>
					Totals
					£
					<u>422,061</u>

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

Management

		2024	2023
		Charitable	Total
		activities	activities
		£	£
Rates and water		35,459	33,060
Insurance		7,000	7,426
Light and heat		153,938	147,512
Telephone		1,509	1,094
Postage and stationery		11,676	10,488
Sundries		9,373	11,284
Cleaning		6,669	4,316
Travel expenses		2,155	3,693
Repairs and renewals		57,676	26,978
Depreciation of tangible assets		<u>42,573</u>	<u>42,700</u>
		<u>328,028</u>	<u>288,551</u>

Finance

		2024	2023
		Charitable	Total
		activities	activities
		£	£
Bank charges		<u>2,096</u>	<u>2,295</u>

5. Support costs - continued
Governance costs

	2024 Charitable activities £	2023 Total activities £
Auditors' remuneration	4,800	4,200
Accountancy and legal fees	<u>87,137</u>	<u>56,915</u>
	<u>91,937</u>	<u>61,115</u>

6. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 August 2024 nor for the year ended 31 August 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2024 nor for the year ended 31 August 2023.

7. Staff costs

	2024 £	2023 £
Wages and salaries	625,667	556,116
Social security costs	11,381	5,130
Other pension costs	<u>1,851</u>	<u>2,210</u>
	<u>638,899</u>	<u>563,456</u>

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

	2024	2023
Staff	<u>66</u>	<u>66</u>

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

8. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
Cost				
At 1 September 2023	2,379,073	999,901	6,554	3,385,528
Additions	<u>128,118</u>	<u>17,131</u>	<u>-</u>	<u>145,249</u>
At 31 August 2024	<u>2,507,191</u>	<u>1,017,032</u>	<u>6,554</u>	<u>3,530,777</u>
Depreciation				
At 1 September 2023	175,269	789,124	369	964,762
Charge for year	<u>10,029</u>	<u>31,617</u>	<u>927</u>	<u>42,573</u>
At 31 August 2024	<u>185,298</u>	<u>820,741</u>	<u>1,296</u>	<u>1,007,335</u>
Net book value				
At 31 August 2024	<u>2,321,893</u>	<u>196,291</u>	<u>5,258</u>	<u>2,523,442</u>
At 31 August 2023	<u>2,203,804</u>	<u>210,777</u>	<u>6,185</u>	<u>2,420,766</u>

9. Debtors: amounts falling due within one year

	2024	2023
	£	£
Trade debtors	28,385	18,575
Other loans	63,365	63,365
Other debtors	1,495	5,561
Prepayments	<u>9,034</u>	<u>10,349</u>
	<u>102,279</u>	<u>97,850</u>

10. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	7,595	6,338
Taxation and social security	6,007	-
Other creditors	<u>142,265</u>	<u>127,268</u>
	<u>155,867</u>	<u>133,606</u>

11. Movement in funds

	At 1.9.23	Net movement in funds	At 31.8.24
	£	£	£
Unrestricted funds			
Unrestricted funds	2,540,864	(25,637)	2,515,227
	<u>2,540,864</u>	<u>(25,637)</u>	<u>2,515,227</u>
TOTAL FUNDS	<u>2,540,864</u>	<u>(25,637)</u>	<u>2,515,227</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
Unrestricted funds	1,251,427	(1,277,064)	(25,637)
	<u>1,251,427</u>	<u>(1,277,064)</u>	<u>(25,637)</u>
TOTAL FUNDS	<u>1,251,427</u>	<u>(1,277,064)</u>	<u>(25,637)</u>

Comparatives for movement in funds

	At 1.9.22	Net movement in funds	At 31.8.23
	£	£	£
Unrestricted funds			
Unrestricted funds	2,380,699	160,165	2,540,864
	<u>2,380,699</u>	<u>160,165</u>	<u>2,540,864</u>
TOTAL FUNDS	<u>2,380,699</u>	<u>160,165</u>	<u>2,540,864</u>

11. Movement in funds - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted funds	1,300,595	(1,140,430)	160,165
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,300,595</u>	<u>(1,140,430)</u>	<u>160,165</u>

12. Related party disclosures

There were no related party transactions for the year ended 31 August 2024.

DARUL ULOOM AL ARABIYA AL ISLAMIYA

England & Wales - Charity number 506980

Accounts

DARUL ULOOM AL ARABIYA AL ISLAMIYA
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

Xeinadin Audit Ltd (Statutory Auditor)
100 Barbirolli Square
Manchester
M2 3BD

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 4
Report of the Independent Auditors	5 to 7
Statement of Financial Activities	8
Statement of Financial Position	9
Statement of Cash Flows	10
Notes to the Statement of Cash Flows	11
Notes to the Financial Statements	12 to 16
Detailed Statement of Financial Activities	17

DARUL ULOOM AL ARABIYA AL ISLAMIYA

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023**

Trustees	Naushad Abdul Aziz Sulaiman Hafejee Ibrahim Mohammad Amin Gajaria Rachid Daud Ismael
Principal address	Holcombe Old Road Holcombe NR Bury Lancashire BL8 4NG
Registered charity number	506980
Independent auditors	Xeinadin Audit Ltd (Statutory Auditor) 100 Barbirolli Square Manchester M2 3BD

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

The trustees present their report with the financial statements of the charity for the year ended 31 August 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

The objectives of the Charity as specified in the Trust Deed are the establishment and operation of an educational institution for the purpose of training students for the Islamic priesthood and for the further education of qualified Islamic priests. In furtherance of its objectives, the Charity runs an independent boarding school for boys by the same name, Darul Uloom Al Arabiya Al Islamiya, which is registered with the Department for Education (DfE) with registration number 351/6007. The Institution, in addition to serving as a centre of higher Islamic education, is also committed to the provision of secular education at secondary and sixth form levels, offering a diverse range of subjects at KS3, KS4 and KS5 levels. The age range of the student body of the Institution is between 11 and 23. Upon graduation, students are encouraged to pursue further education at British universities in a discipline of their choice. To facilitate this, the Institution has over the years developed good relationships with Higher Education providers, thereby creating opportunities for effective progression for its graduates. The Institution takes pride in the fact that to date, a host of its graduates have obtained undergraduate, graduate and doctoral degrees in a wide range of disciplines, and are serving their communities in a variety of ways. The Institution strives to foster a meaningful awareness within students about their socio-cultural context, in an environment that is both conducive to their learning and moral welfare. It seeks to instil in them the values and attitudes required for good global citizenship and for a shared concern for the common causes affecting humanity as a whole. At present, the School does not have any pupils with special educational needs or learning difficulties.

Dedicated to a student-centric approach to education, Darul Uloom endeavours to provide its pupils with numerous opportunities to experience learning holistically. The curriculum - both Islamic and secular - is designed to cater for the linguistic, mathematical, scientific, moral, social, aesthetic, technological, physical, and spiritual needs of students. The comprehensive Islamic theology programme developed by the Institute aims to equip its students to assume scholarly, professional, and pastoral roles within their communities.

The Institute aims to ensure that the time spent at Darul Uloom facilitates its pupils' attainment of enduring spiritual, moral, social, cultural and religious awareness, in addition to excelling in physical and intellectual achievement. The Institute strives to remain a friendly environment where one has the opportunity to meet, live with, and learn from people from students and staff members of different socio-economic backgrounds, to learn to get on with others, to improve one's social and emotional intelligence, to become comfortable, confident, and disciplined in one's independence and to grow in one's faith. Darul Uloom celebrates diverse cultural heritages. Directed and student-led activities help improve multi-cultural awareness. All in all, Darul Uloom is committed to ensure its pupils gain a strong sense of community and an insight into the spiritual and social benefits of communal life.

The Trustees are keen to improve the overall experience of students, particularly those boarding at the School. To this end, they soon intend to embark on a significant refurbishment programme for premises and facilities. In the current year, the hot water and heating boilers for the entire School have been replaced with more powerful and efficient boilers.

Location and history

Darul Uloom Al Arabiya Al Islamiya is the oldest Islamic seminary of its kind in the United Kingdom. It was founded by the late Shaikhul Hadith Hadhrat Maulana Yusuf Motala in 1973, and has since 1977 been located at Holcombe Hall, in the historic village of Holcombe, in the district of Ramsbottom, part of the Metropolitan Borough of Bury, at the northern edge of Greater Manchester. It is situated south of Haslingden, east of Edgworth, west of Ramsbottom, and north of Tottington. The name Holcombe comes from the Celtic cwm, meaning valley, and the Old English hol, meaning deep or hollow. Historically wholly within Lancashire, it is located along the course of the River Irwell in a deep valley amongst the West Pennine Moors and is well-connected to nearby towns and cities through a number of A-roads and the M66 motorway.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

Achievement and performance

Learning at the School continues to overcome the COVID-19 hiccup. In the summer of 2023, 71% of its GCSE cohort achieved grade 4 or above in English and maths. 89% received grade 4 or above in Maths and 71% in English. The School's Attainment 8 score was 46.2, 1.4 points higher than the local average. 97% of our pupils entered the English Baccalaureate, compared with the local authority average of 32% and national average of 39%. The EBacc average point score for the School was 4.63, compared with 3.89 locally and 4.05 nationally. The sixth form provision of the School continues to improve. The School has this year once again enjoyed a 100% pass rate in all subjects, except for one student in one subject.

The Trustees recognise there is scope for improvement and continue to put in place courses of action that should ensure continuous progress over the coming years. In summary, Darul Uloom is proud to be able to maintain a good balance between high achievement and a spirit of service and devotion, thus providing an ideal environment for pupils to grow in and experience a vast array of social and academic skills in a safe and respectful manner. All this together makes for the most fruitful and memorable boarding school life.

The Trustees are pleased to report there has been continued progress in attainments at both GCSE and sixth form levels in Summer 2022. 94% of its pupils achieved grade 4 or above in English and maths in this year's GCSE exams and 81% achieved grade 5 or above in English and maths. 93% received grade 4 or above in English and 96% in maths. By way of comparison, the attainment percentage was 45% at the local authority level and 50% nationally. The School's Attainment 8 score was 56, which was 9.7 points higher than the local average. 100% of our pupils entered the English Baccalaureate, compared with the local authority average of 45% and national average of 50%. The EBacc average point score for the School was 5.66, compared with 4.05 locally and 4.27 nationally.

While the Trustees remain pleased with the performance, they recognise there is scope for improvement and continue to put in place courses of action that should ensure continuous progress over the coming years. In summary, Darul Uloom is proud to be able to maintain a good balance between high achievement and a spirit of service and devotion, thus providing an ideal environment for pupils to grow in and experience a vast array of social and academic skills in a safe and respectful manner. All this together makes for the most fruitful and memorable boarding school life.

Financial review

Reserves

It is policy of the Charity to maintain unrestricted funds at a level which equates to approximately 12 months' regular expenditure. This ensures there are always sufficient funds to cover management, administration, and support costs. The school's principal funding source is school fees, followed by charitable donations. The Trustees launched fundraising appeals in Ramadan (March-April 2024), which proved to be highly successful. The Charity is also now registered with the Fundraising Regulator. The overhead expenditure has remained fairly consistent after taking into account increased staff costs due to the extra demand for the teaching staff to achieve a good teacher to student ratio, however, the operational costs have risen significantly over this period.

Plans for the future period

The Trustees plan to continue to enhance the current standards of academic achievements as measured by the external public examinations and independent value-added criteria. This includes collaboration and sharing of good practice between academic departments and like institutions, improving internal communications and management information systems, and continuing to develop and enhance the facilities. They have also engaged with some specialist providers, and are conducting a thorough review of the School's complete provision, including extra-curricular opportunities, with a view to enhancing the extra-academic provision of the School even further in a sustainable manner.

Structure, governance and management

Governing document

The Charity is an unincorporated trust, constituted under a trust deed dated 1 November 1977, as variously amended, and is registered with the Charity Commission with the number 506980.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

Structure, governance and management

Appointment of trustees

The trust deed, as variously amended, provides for at least three trustees. The appointment of trustees is vested in the continuing trustees (excluding any retiring trustees). The appointment of teachers, administrators, and other persons required for the running of the Institution is in the hands of the Principal. The trustees have responsibility for appointing a Principal.

Organisational structure

The trustees may from time to time make such rules and regulations in their absolute discretion think fit for the management of the Institution and may at any time vary such rules and regulations. At regular meetings, the Trustees agree the area of activity for the trust, as well as reviewing policies, securing accountability, and measuring performance.

Induction and training of new trustees

There are informal procedures for induction and training of new trustees. Trustees are also encouraged to attend external briefings and training courses. No new trustee has been appointed in the period of this report.

Risk Assessment

The trustees continue to monitor and review major risks which the charity is exposed to and where necessary control and implement systems and procedures to manage those risks.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Report of the Trustees 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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 17 July 2024 and signed on its behalf by:

Naushad Abdul Aziz - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DARUL ULOOM AL ARABIYA AL ISLAMIYA

Opinion

We have audited the financial statements of Darul Uloom Al Arabiya Al Islamiya (the 'charity') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DARUL ULOOM AL ARABIYA AL ISLAMIYA

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity including data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DARUL ULOOM AL ARABIYA AL ISLAMIYA

- assessed whether judgements and assumptions made in determining the accounting estimates indicative of potential bias; and

- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;

- reading the minutes of meetings of those charged with governance;

- enquiring of management as to actual and potential litigation and claims; and

- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Xeinadin Audit Ltd (Statutory Auditor)
100 Barbirolli Square
Manchester
M2 3BD

23 July 2024

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023

		2023 Unrestricted funds £	2022 Total funds £
Income and endowments from	Notes		
Donations and legacies	2	412,376	84,088
Charitable activities	3		
Charitable activities		888,219	736,759
Total		<u>1,300,595</u>	<u>820,847</u>
Expenditure on			
Charitable activities	4		
Charitable activities		1,140,430	960,061
NET INCOME/(EXPENDITURE)		160,165	(139,214)
Reconciliation of funds			
Total funds brought forward		2,380,699	2,519,913
Total funds carried forward		<u><u>2,540,864</u></u>	<u><u>2,380,699</u></u>

STATEMENT OF FINANCIAL POSITION
31 AUGUST 2023

	Notes	2023 Unrestricted funds £	2022 Total funds £
Fixed assets			
Tangible assets	8	2,420,766	2,362,194
Current assets			
Debtors	9	97,850	114,353
Cash at bank and in hand		155,854	111,247
		<u>253,704</u>	<u>225,600</u>
Creditors			
Amounts falling due within one year	10	(133,606)	(207,095)
		<u>120,098</u>	<u>18,505</u>
Net current assets			
		<u>2,540,864</u>	<u>2,380,699</u>
Total assets less current liabilities			
		<u>2,540,864</u>	<u>2,380,699</u>
NET ASSETS			
		<u>2,540,864</u>	<u>2,380,699</u>
Funds	11		
Unrestricted funds		<u>2,540,864</u>	<u>2,380,699</u>
Total funds		<u>2,540,864</u>	<u>2,380,699</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 17 July 2024 and were signed on its behalf by:

Naushad Abdul Aziz - Trustee

Sulaiman Hafejee - Trustee

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	145,879	31,282
Net cash provided by operating activities		<u>145,879</u>	<u>31,282</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(101,272)	(77,618)
Net cash used in investing activities		<u>(101,272)</u>	<u>(77,618)</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		44,607	(46,336)
Cash and cash equivalents at the end of the reporting period		<u>111,247</u>	<u>157,583</u>
		<u>155,854</u>	<u>111,247</u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Reconciliation of net income/(expenditure) to net cash flow from operating activities	2023	2022	
	£	£	
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	160,165	(139,214)	
Adjustments for:			
Depreciation charges	42,700	39,143	
Decrease in debtors	16,503	20,317	
(Decrease)/increase in creditors	(73,489)	111,036	
Net cash provided by operations	<u>145,879</u>	<u>31,282</u>	
2. Analysis of changes in net funds			
	At 1.9.22	Cash flow	At 31.8.23
	£	£	£
Net cash			
Cash at bank and in hand	111,247	44,607	155,854
	<u>111,247</u>	<u>44,607</u>	<u>155,854</u>
Total	<u>111,247</u>	<u>44,607</u>	<u>155,854</u>

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

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

Tangible fixed assets

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

Freehold property	- 2% per annum straight line basis
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 15% on reducing balance

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash and bank in hand, trade debtors and other debtors £253,704 (2022: £215,868). Financial liabilities held at amortised cost comprise all creditors except social security and other taxes £133,606 (2022: £207,095).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023**2. Donations and legacies**

	2023	2022
	£	£
Donations	412,376	84,088

3. Income from charitable activities

	2023	2022
Activity	£	£
School fees Charitable activities	888,219	736,759

4. Charitable activities costs

	Direct Costs	Support costs (see note 5)	Totals
	£	£	£
Charitable activities	788,469	351,961	1,140,430

5. Support costs

	Management	Finance	Governance costs	Totals
	£	£	£	£
Charitable activities	288,551	2,295	61,115	351,961

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

Management

	2023	2022
	Charitable activities	Total activities
	£	£
Rates and water	33,060	22,103
Insurance	7,426	7,588
Light and heat	147,512	128,831
Telephone	1,094	1,088
Postage and stationery	10,488	9,053
Sundries	11,284	9,100
Cleaning	4,316	3,449
Travel expenses	3,693	1,850
Repairs and renewals	26,978	13,167
Depreciation of tangible assets	42,700	39,143
	<u>288,551</u>	<u>235,372</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 20235. Support costs - continued
Finance

	2023 Charitable activities £	2022 Total activities £
Bank charges	2,295	371

Governance costs

	2023 Charitable activities £	2022 Total activities £
Auditors' remuneration	4,200	3,600
Accountancy and legal fees	56,915	49,085
	<u>61,115</u>	<u>52,685</u>

6. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 August 2023 nor for the year ended 31 August 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2023 nor for the year ended 31 August 2022.

7. Staff costs

	2023 £	2022 £
Wages and salaries	556,116	523,648
Social security costs	5,130	2,574
Other pension costs	2,210	1,111
	<u>563,456</u>	<u>527,333</u>

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

	2023	2022
Staff	<u>66</u>	<u>66</u>

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

8. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
Cost				
At 1 September 2022	2,355,411	928,845	-	3,284,256
Additions	23,662	71,056	6,554	101,272
At 31 August 2023	2,379,073	999,901	6,554	3,385,528
Depreciation				
At 1 September 2022	165,753	756,309	-	922,062
Charge for year	9,516	32,815	369	42,700
At 31 August 2023	175,269	789,124	369	964,762
Net book value				
At 31 August 2023	2,203,804	210,777	6,185	2,420,766
At 31 August 2022	2,189,658	172,536	-	2,362,194

9. Debtors: amounts falling due within one year

	2023 £	2022 £
Trade debtors	18,575	36,619
Other loans	63,365	63,365
Other debtors	5,561	4,637
Prepayments	10,349	9,732
	97,850	114,353

10. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	6,338	33,394
Other creditors	127,268	173,701
	133,606	207,095

11. Movement in funds

	At 1.9.22 £	Net movement in funds £	At 31.8.23 £
Unrestricted funds			
Unrestricted funds	2,380,699	160,165	2,540,864
TOTAL FUNDS	2,380,699	160,165	2,540,864

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023**11. Movement in funds - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted funds	1,300,595	(1,140,430)	160,165
TOTAL FUNDS	<u>1,300,595</u>	<u>(1,140,430)</u>	<u>160,165</u>

Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
Unrestricted funds	2,519,913	(139,214)	2,380,699
TOTAL FUNDS	<u>2,519,913</u>	<u>(139,214)</u>	<u>2,380,699</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted funds	820,847	(960,061)	(139,214)
TOTAL FUNDS	<u>820,847</u>	<u>(960,061)</u>	<u>(139,214)</u>

12. Related party disclosures

There were no related party transactions for the year ended 31 August 2023.

DARUL ULOOM AL ARABIYA AL ISLAMIYA**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023**

	2023	2022
	£	£
Income and endowments		
Donations and legacies		
Donations	412,376	84,088
Charitable activities		
School fees	888,219	736,759
Total incoming resources	<u>1,300,595</u>	<u>820,847</u>
Expenditure		
Charitable activities		
Wages	556,116	523,648
Social security	5,130	2,574
Pensions	2,210	1,111
Books and School trips	46,724	21,159
Canteen costs	178,289	123,141
	<u>788,469</u>	<u>671,633</u>
Support costs		
Management		
Rates and water	33,060	22,103
Insurance	7,426	7,588
Light and heat	147,512	128,831
Telephone	1,094	1,088
Postage and stationery	10,488	9,053
Sundries	11,284	9,100
Cleaning	4,316	3,449
Travel expenses	3,693	1,850
Repairs and renewals	26,978	13,167
Freehold property	9,516	9,422
Fixtures and fittings	32,815	29,721
Motor vehicles	369	-
	<u>288,551</u>	<u>235,372</u>
Finance		
Bank charges	2,295	371
Governance costs		
Auditors' remuneration	4,200	3,600
Accountancy and legal fees	56,915	49,085
	<u>61,115</u>	<u>52,685</u>
Total resources expended	<u>1,140,430</u>	<u>960,061</u>
Net income/(expenditure)	<u>160,165</u>	<u>(139,214)</u>

This page does not form part of the statutory financial statements

DARUL ULOOM AL ARABIYA AL ISLAMIYA

England & Wales - Charity number 506980

Accounts

DARUL ULOOM AL ARABIYA AL ISLAMIYA
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

Xeinadin Audit Ltd (Statutory Auditor)
36 Old Jewry
London
EC2R 8DD

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 4
Report of the Independent Auditors	5 to 7
Statement of Financial Activities	8
Statement of Financial Position	9
Statement of Cash Flows	10
Notes to the Statement of Cash Flows	11
Notes to the Financial Statements	12 to 17
Detailed Statement of Financial Activities	18

DARUL ULOOM AL ARABIYA AL ISLAMIYA

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2022**

Trustees	Naushad Abdul Aziz Sulaiman Hafejee Ibrahim Mohammad Amin Gajaria Rachid Daud Ismael
Principal address	Holcombe Hall Holcombe NR Bury Lancashire BL8 4NG
Registered charity number	506980
Independent auditors	Xeinadin Audit Ltd (Statutory Auditor) 36 Old Jewry London EC2R 8DD

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

The trustees present their report with the financial statements of the charity for the year ended 31 August 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

The objectives of the Charity as specified in the Trust Deed are the establishment and operation of an educational institution for the purpose of training students for the Islamic priesthood and for the further education of qualified Islamic priests. In furtherance of its objectives, the Charity runs an independent boarding school for boys by the same name, Darul Uloom Al Arabiya Al Islamiya, which is registered with the Department for Education (DfE) with registration number 351/6007. The Institution, in addition to serving as a centre of higher Islamic education, is also committed to the provision of secular education at secondary and sixth form levels, offering a diverse range of subjects at KS3, KS4 and KS5 levels. The age range of the student body of the Institution is between 11 and 23. Upon graduation, students are encouraged to pursue further education at British universities in a discipline of their choice. To facilitate this, the Institution has over the years developed good relationships with Higher Education providers, thereby creating opportunities for effective progression for its graduates. The Institution takes pride in the fact that to date, a host of its graduates have obtained undergraduate, graduate and doctoral degrees in a wide range of disciplines, and are serving their communities in a variety of ways. The Institution strives to foster a meaningful awareness within students about their socio-cultural context, in an environment that is both conducive to their learning and moral welfare. It seeks to instil in them the values and attitudes required for good global citizenship and for a shared concern for the common causes affecting humanity as a whole. At present, the School does not have any pupils with special educational needs or learning difficulties.

Dedicated to a student-centric approach to education, Darul Uloom endeavours to provide its pupils with numerous opportunities to experience learning holistically. The curriculum - both Islamic and secular - is designed to cater for the linguistic, mathematical, scientific, moral, social, aesthetic, technological, physical, and spiritual needs of students. The comprehensive Islamic theology programme developed by the Institute aims to equip its students to assume scholarly, professional, and pastoral roles within their communities.

The Institute aims to ensure that the time spent at Darul Uloom facilitates its pupils' attainment of enduring spiritual, moral, social, cultural and religious awareness, in addition to excelling in physical and intellectual achievement. The Institute strives to remain a friendly environment where one has the opportunity to meet, live with, and learn from people from students and staff members of different socio-economic backgrounds, to learn to get on with others, to improve one's social and emotional intelligence, to become comfortable, confident, and disciplined in one's independence and to grow in one's faith. Darul Uloom celebrates diverse cultural heritages. Directed and student-led activities help improve multi-cultural awareness. All in all, Darul Uloom is committed to ensure its pupils gain a strong sense of community and an insight into the spiritual and social benefits of communal life.

The Trustees are keen to improve the overall experience of students, particularly those boarding at the School. To this end, they soon intend to embark on a significant refurbishment programme for premises and facilities. In the current year, the hot water and heating boilers for the entire School have been replaced with more powerful and efficient boilers.

Location and history

Darul Uloom Al Arabiya Al Islamiya is the oldest Islamic seminary of its kind in the United Kingdom. It was founded by the late Shaikhul Hadith Hadhrat Maulana Yusuf Motala in 1973, and has since 1977 been located at Holcombe Hall, in the historic village of Holcombe, in the district of Ramsbottom, part of the Metropolitan Borough of Bury, at the northern edge of Greater Manchester. It is situated south of Haslingden, east of Edgworth, west of Ramsbottom, and north of Tottington. The name Holcombe comes from the Celtic cwm, meaning valley, and the Old English hol, meaning deep or hollow. Historically wholly within Lancashire, it is located along the course of the River Irwell in a deep valley amongst the West Pennine Moors and is well-connected to nearby towns and cities through a number of A-roads and the M66 motorway.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

Achievement and performance

The Trustees are pleased to report there has been continued progress in attainments at both GCSE and sixth form levels in Summer 2022. 94% of its pupils achieved grade 4 or above in English and maths in this year's GCSE exams and 81% achieved grade 5 or above in English and maths. 93% received grade 4 or above in English and 96% in maths. By way of comparison, the attainment percentage was 45% at the local authority level and 50% nationally. The School's Attainment 8 score was 56, which was 9.7 points higher than the local average. 100% of our pupils entered the English Baccalaureate, compared with the local authority average of 45% and national average of 50%. The EBacc average point score for the School was 5.66, compared with 4.05 locally and 4.27 nationally.

The sixth form provision of the School continues to improve. The School has this year once again enjoyed a 100% pass rate in all subjects.

While the Trustees remain pleased with the performance, they recognise there is scope for improvement and continue to put in place courses of action that should ensure continuous progress over the coming years.

In summary, Darul Uloom is proud to be able to maintain a good balance between high achievement and a spirit of service and devotion, thus providing an ideal environment for pupils to grow in and experience a vast array of social and academic skills in a safe and respectful manner. All this together makes for the most fruitful and memorable boarding school life.

Financial review

Reserves

It is policy of the Charity to maintain unrestricted funds at a level which equates to approximately 12 months' regular expenditure. This ensures there are always sufficient funds to cover management, administration, and support costs. The school's principal funding source is school fees, followed by charitable donations. The School had not felt it appropriate since March 2020 to fundraise extensively given the circumstances of the pandemic and the increase in costs of living. However, given the impact of such rising costs on the School itself, and in a bid to avoid adding pressure on parents by increasing fees, the Trustees launched fundraising appeals in Ramadan (March-April 2023), which proved to be highly successful. The Charity is also now registered with the Fundraising Regulator. The overhead expenditure has remained fairly consistent after taking into account increased staff costs due to the extra demand for the teaching staff to achieve a good teacher to student ratio.

Plans for the future period

The Trustees plan to continue to enhance the current standards of academic achievements as measured by the external public examinations and independent value-added criteria. This includes collaboration and sharing of good practice between academic departments and like institutions, improving internal communications and management information systems, and continuing to develop and enhance the facilities. They have also entered into negotiations with a number of specialist providers, and are conducting a thorough review of the School's complete provision, including extra-curricular opportunities, with a view to enhancing the extra-academic provision of the School even further in a sustainable manner.

Structure, governance and management

Governing document

The Charity is an unincorporated trust, constituted under a trust deed dated 1 November 1977, as variously amended, and is registered with the Charity Commission with the number 506980.

Appointment of trustees

The trust deed, as variously amended, provides for at least three trustees. The appointment of trustees is vested in the continuing trustees (excluding any retiring trustees). The appointment of teachers, administrators, and other persons required for the running of the Institution is in the hands of the Principal. The trustees have responsibility for appointing a Principal.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

Organisational structure

The trustees may from time to time make such rules and regulations in their absolute discretion think fit for the management of the Institution and may at any time vary such rules and regulations. At regular meetings, the Trustees agree the area of activity for the trust, as well as reviewing policies, securing accountability, and measuring performance.

Induction and training of new trustees

There are informal procedures for induction and training of new trustees. Trustees are also encouraged to attend external briefings and training courses. No new trustee has been appointed in the period of this report.

Risk Assessment

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Report of the Trustees 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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 21 June 2023 and signed on its behalf by:

Naushad Abdul Aziz - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DARUL ULOOM AL ARABIYA AL ISLAMIYA

Opinion

We have audited the financial statements of Darul Uloom Al Arabiya Al Islamiya (the 'charity') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the computer component manufacturing and supply sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DARUL ULOOM AL ARABIYA AL ISLAMIYA

- assessed whether judgements and assumptions made in determining the accounting estimates indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Xeinadin Audit Ltd (Statutory Auditor)
36 Old Jewry
London
EC2R 8DD

26 June 2023

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022

		2022 Unrestricted funds £	2021 Total funds £
Income and endowments from	Notes		
Donations and legacies	2	820,847	711,725
Expenditure on			
Charitable activities	3		
Charitable activities		960,061	775,879
NET INCOME/(EXPENDITURE)		(139,214)	(64,154)
Reconciliation of funds			
Total funds brought forward		2,519,913	2,584,067
Total funds carried forward		<u>2,380,699</u>	<u>2,519,913</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 AUGUST 2022

	Notes	2022 Unrestricted funds £	2021 Total funds £
Fixed assets			
Tangible assets	7	2,362,194	2,323,719
Current assets			
Debtors	8	114,353	134,670
Cash at bank and in hand		111,247	157,583
		<u>225,600</u>	<u>292,253</u>
Creditors			
Amounts falling due within one year	9	(207,095)	(96,059)
		<u>18,505</u>	<u>196,194</u>
Net current assets			
		<u>2,380,699</u>	<u>2,519,913</u>
Total assets less current liabilities			
		<u>2,380,699</u>	<u>2,519,913</u>
NET ASSETS		<u>2,380,699</u>	<u>2,519,913</u>
Funds	10		
Unrestricted funds		<u>2,380,699</u>	<u>2,519,913</u>
Total funds		<u>2,380,699</u>	<u>2,519,913</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 21 June 2023 and were signed on its behalf by:

Naushad Abdul Aziz - Trustee

Sulaiman Hafejee - Trustee

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

Notes	2022 £	2021 £
Cash flows from operating activities		
Cash generated from operations 1	31,282	36,697
Net cash provided by operating activities	<u>31,282</u>	<u>36,697</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(77,618)	(69,205)
Net cash used in investing activities	<u>(77,618)</u>	<u>(69,205)</u>
Change in cash and cash equivalents in the reporting period	<u>(46,336)</u>	<u>(32,508)</u>
Cash and cash equivalents at the beginning of the reporting period	<u>157,583</u>	<u>190,091</u>
Cash and cash equivalents at the end of the reporting period	<u><u>111,247</u></u>	<u><u>157,583</u></u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Reconciliation of net expenditure to net cash flow from operating activities			
		2022	2021
		£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)		(139,214)	(64,154)
Adjustments for:			
Depreciation charges		39,143	35,708
Decrease in debtors		20,317	2,884
Increase in creditors		111,036	62,259
		<u>31,282</u>	<u>36,697</u>
Net cash provided by operations		<u>31,282</u>	<u>36,697</u>
2. Analysis of changes in net funds			
	At 1.9.21	Cash flow	At 31.8.22
	£	£	£
Net cash			
Cash at bank and in hand	157,583	(46,336)	111,247
	<u>157,583</u>	<u>(46,336)</u>	<u>111,247</u>
Total	<u>157,583</u>	<u>(46,336)</u>	<u>111,247</u>

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

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

Tangible fixed assets

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

Freehold property	- 2% per annum straight line basis
Fixtures and fittings	- 15% on reducing balance

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash and bank in hand, trade debtors and other debtors £215,868 (2021: £287,341). Financial liabilities held at amortised cost comprise all creditors except social security and other taxes £207,095 (2021: £94,653).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**2. Donations and legacies**

	2022	2021
	£	£
Donations	84,088	116,655
Grants	-	61,129
School fees	736,759	533,941
	<u>820,847</u>	<u>711,725</u>

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

	2022	2021
	£	£
Other grants	-	61,129
	<u>-</u>	<u>61,129</u>

3. Charitable activities costs

	Direct Costs	Support costs (see note 4)	Totals
	£	£	£
Charitable activities	447,994	512,067	960,061
	<u>447,994</u>	<u>512,067</u>	<u>960,061</u>

4. Support costs

	Management	Finance	Governance costs	Totals
	£	£	£	£
Charitable activities	459,011	371	52,685	512,067
	<u>459,011</u>	<u>371</u>	<u>52,685</u>	<u>512,067</u>

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

Management

	2022	2021
	Charitable activities	Total activities
	£	£
Wages	100,498	84,115
Rates and water	22,103	20,817
Insurance	7,588	6,750
Light and heat	128,831	61,702
Telephone	1,088	1,092
Postage and stationery	9,053	4,100
Sundries	9,100	10,914
Cleaning	3,449	3,127
Canteen	123,141	51,628
Travel expenses	1,850	2,583
Repairs and renewals	13,167	34,850
Depreciation of tangible and heritage assets	39,143	35,708
	<u>459,011</u>	<u>317,386</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**4. Support costs - continued**
Finance

	2022 Charitable activities £	2021 Total activities £
Bank charges	371	2,951

Governance costs

	2022 Charitable activities £	2021 Total activities £
Auditors' remuneration	3,600	3,600
Accountancy and legal fees	49,085	80,038
	<u>52,685</u>	<u>83,638</u>

5. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 August 2022 nor for the year ended 31 August 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2022 nor for the year ended 31 August 2021.

6. Staff costs

	2022 £	2021 £
Wages and salaries	523,648	425,599
Social security costs	2,574	2,578
Other pension costs	1,111	-
	<u>527,333</u>	<u>428,177</u>

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

	2022	2021
Staff	<u>66</u>	<u>50</u>

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

7. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Totals £
Cost			
At 1 September 2021	2,304,877	901,761	3,206,638
Additions	50,534	27,084	77,618
	<u>2,355,411</u>	<u>928,845</u>	<u>3,284,256</u>
At 31 August 2022			
Depreciation			
At 1 September 2021	156,331	726,588	882,919
Charge for year	9,422	29,721	39,143
	<u>165,753</u>	<u>756,309</u>	<u>922,062</u>
At 31 August 2022			
Net book value			
At 31 August 2022	<u>2,189,658</u>	<u>172,536</u>	<u>2,362,194</u>
At 31 August 2021	<u>2,148,546</u>	<u>175,173</u>	<u>2,323,719</u>

8. Debtors: amounts falling due within one year

	2022 £	2021 £
Trade debtors	36,619	66,393
Other loans	63,365	63,365
Other debtors	4,637	-
Prepayments	9,732	4,912
	<u>114,353</u>	<u>134,670</u>

9. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	33,394	16,183
Taxation and social security	-	1,406
Other creditors	173,701	78,470
	<u>207,095</u>	<u>96,059</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

10. Movement in funds

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
Unrestricted funds	2,519,913	(139,214)	2,380,699
TOTAL FUNDS	<u>2,519,913</u>	<u>(139,214)</u>	<u>2,380,699</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted funds	820,847	(960,061)	(139,214)
TOTAL FUNDS	<u>820,847</u>	<u>(960,061)</u>	<u>(139,214)</u>

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
Unrestricted funds	2,584,067	(64,154)	2,519,913
TOTAL FUNDS	<u>2,584,067</u>	<u>(64,154)</u>	<u>2,519,913</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted funds	711,725	(775,879)	(64,154)
TOTAL FUNDS	<u>711,725</u>	<u>(775,879)</u>	<u>(64,154)</u>

11. Related party disclosures

There were no related party transactions for the year ended 31 August 2022.

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022

	2022 £	2021 £
Income and endowments		
Donations and legacies		
Donations	84,088	116,655
Grants	-	61,129
School fees	736,759	533,941
	<u>820,847</u>	<u>711,725</u>
Total incoming resources	820,847	711,725
Expenditure		
Charitable activities		
Wages	423,150	341,484
Social security	2,574	2,578
Pensions	1,111	-
Books and School trips	21,159	27,842
	<u>447,994</u>	<u>371,904</u>
Support costs		
Management		
Wages	100,498	84,115
Rates and water	22,103	20,817
Insurance	7,588	6,750
Light and heat	128,831	61,702
Telephone	1,088	1,092
Postage and stationery	9,053	4,100
Sundries	9,100	10,914
Cleaning	3,449	3,127
Canteen	123,141	51,628
Travel expenses	1,850	2,583
Repairs and renewals	13,167	34,850
Freehold property	9,422	9,220
Fixtures and fittings	29,721	26,488
	<u>459,011</u>	<u>317,386</u>
Finance		
Bank charges	371	2,951
Governance costs		
Auditors' remuneration	3,600	3,600
Accountancy and legal fees	49,085	80,038
	<u>52,685</u>	<u>83,638</u>
Total resources expended	<u>960,061</u>	<u>775,879</u>
Net expenditure	<u>(139,214)</u>	<u>(64,154)</u>

This page does not form part of the statutory financial statements

DARUL ULOOM AL ARABIYA AL ISLAMIYA

England & Wales - Charity number 506980

Accounts

REGISTERED CHARITY NUMBER: 506980

DARUL ULOOM AL ARABIYA AL ISLAMIYA
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

Xeinadin Audit Ltd (Statutory Auditor)
36 Old Jewry
London
EC2R 8DD

DARUL ULOOM AL ARABIYA AL ISLAMIYA

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 4
Report of the Independent Auditors	5 to 6
Statement of Financial Activities	7
Statement of Financial Position	8
Statement of Cash Flows	9
Notes to the Statement of Cash Flows	10
Notes to the Financial Statements	11 to 15
Detailed Statement of Financial Activities	16

DARUL ULOOM AL ARABIYA AL ISLAMIYA

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

Trustees	Naushad Abdul Aziz Sulaiman Hafejee Ibrahim Mohammad Amin Gajaria Rachid Ismael
Principal address	Holcombe Hall Holcombe NR Bury Lancashire BL8 4NG
Registered charity number	506980
Independent auditors	Xeinadin Audit Ltd (Statutory Auditor) 36 Old Jewry London EC2R 8DD

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

Objectives and activities

The objectives of the Charity as specified in the Trust Deed are the establishment and operation of an educational institution for the purpose of training students for the Islamic priesthood and for the further education of qualified Islamic priests. In furtherance of its objectives, the Charity runs an independent boarding school for boys by the same name, Darul Uloom Al Arabiya Al Islamiya, which is registered with the Department for Education (DfE) with registration number 351/6007. The Institution, in addition to serving as a centre of higher Islamic education, is also committed to the provision of secular education at secondary and sixth form levels, offering a diverse range of subjects at KS3, KS4 and KS5 levels. The age range of the student body of the Institution is between 11 and 23.

Upon graduation, students are encouraged to pursue further education at British universities in a discipline of their choice. To facilitate this, the Institution has over the years developed good relationships with Higher Education providers, thereby creating opportunities for effective progression for its graduates. The Institution takes pride in the fact that to date, a host of its graduates have obtained undergraduate, graduate and doctoral degrees in a wide range of disciplines, and are serving their communities in a variety of ways. The Institution strives to foster a meaningful awareness within students about their socio-cultural context, in an environment that is both conducive to their learning and moral welfare. It seeks to instil in them the values and attitudes required for good global citizenship and for a shared concern for the common causes affecting humanity as a whole. At present, the School does not have any pupils with special educational needs or learning difficulties.

Dedicated to a student-centric approach to education, Darul Uloom endeavours to provide its pupils with numerous opportunities to experience learning holistically. The curriculum - both Islamic and secular - is designed to cater for the linguistic, mathematical, scientific, moral, social, aesthetic, technological, physical, and spiritual needs of students. The comprehensive Islamic theology programme developed by the Institute aims to equip its students to assume scholarly, professional, and pastoral roles within their communities.

The Institute aims to ensure that the time spent at Darul Uloom facilitates its pupils' attainment of enduring spiritual, moral, social, cultural and religious awareness, in addition to excelling in physical and intellectual achievement. The Institute strives to remain a friendly environment where one has the opportunity to meet, live with, and learn from people from students and staff members of different socio-economic backgrounds, to learn to get on with others, to improve one's social and emotional intelligence, to become comfortable, confident, and disciplined in one's independence and to grow in one's faith. Darul Uloom celebrates diverse cultural heritages. Directed and student-led activities help improve multi-cultural awareness. All in all, Darul Uloom is committed to ensure its pupils gain a strong sense of community and an insight into the spiritual and social benefits of communal life.

Achievement and performance

The Trustees are pleased to report that, despite the challenges presented by the pandemic, there has been continued progress in attainments at both GCSE and sixth form levels in Summer 2021. 100% of its pupils achieved grade 4 or above in English and maths in this year's GCSE exams. 96% received grade 5 or above in English and 92% in maths. By way of comparison, the attainment percentage for 2019 was 37% at the local authority level and 43% nationally. 100% of the cohort received grade 4 or above in Combined Sciences and Arabic GCSEs. The School's Attainment 8 score for 2019 was 57.3, which was 13.8 points higher than the local average. No Attainment 8 score has been published for 2020. 100% of our pupils entered the English Baccalaureate, compared with the local authority average of 52% and national average of 40%. The EBacc average point score for the School was 6.71, compared with 3.87 locally and 4.07 nationally.

The sixth form provision of the School continues to improve. The School has this year enjoyed a 100% pass rate in all subjects - Arabic, Urdu, Maths, English Language, Computer Science, Chemistry, Sociology and Law.

The Trustees are pleased with this performance, though they acknowledge that there has been a slight dip (much smaller than the national average) due to disruptions to teaching and learning caused by the pandemic. The trustees continue to put in place courses of action that should ensure the learning gap can be adequately covered in the forthcoming years.

In summary, Darul Uloom is proud to be able to maintain a good balance between high achievement and a spirit of service and devotion, thus providing an ideal environment for pupils to grow in and experience a vast array of social and academic skills in a safe and respectful manner. All this together makes for the most fruitful and memorable boarding school life.

Financial review

Reserves

It is policy of the Charity to maintain unrestricted funds at a level which equates to approximately 12 months' regular expenditure. This ensures there are always sufficient funds to cover management, administration, and support costs. The school's principal funding source is school fees, followed by charitable donations, though the School has not felt it appropriate since March 2020 to fundraise given the circumstances of the pandemic. The overhead expenditure has remained fairly consistent after taking into account increased staff costs due to the extra demand for the teaching staff to achieve a good teacher to student ratio.

Plans for the future period

The Trustees plan to continue to enhance the current standards of academic achievements as measured by the external public examinations and independent value-added criteria. This includes collaboration and sharing of good practice between academic departments and like institutions, improving internal communications and management information systems, and continuing to develop and enhance the facilities. They have also entered into negotiations with a number of specialist providers, and are conducting a thorough review of the School's complete provision, including extra-curricular opportunities, with a view to enhancing the extra-academic provision of the School even further in a sustainable manner.

Structure, governance and management

Governing document

The Charity is an unincorporated trust, constituted under a trust deed dated 1 November 1977, as amended, and is registered with the Charity Commission with the number 506980.

Location and history

Darul Uloom Al Arabiya Al Islamiya is the oldest school of its kind in the United Kingdom. It was founded by the late Shaikhul Hadith Hadhrat Maulana Yusuf Motala in 1973, and has since 1977 been located at Holcombe Hall, in the historic village of Holcombe, in the district of Ramsbottom, part of the Metropolitan Borough of Bury, at the northern edge of Greater Manchester. It is situated south of Haslingden, east of Edgworth, west of Ramsbottom, and north of Tottington. The name Holcombe comes from the Celtic cwm, meaning valley, and the Old English hol, meaning deep or hollow. Historically wholly within Lancashire, it is located along the course of the River Irwell in a deep valley amongst the West Pennine Moors and is well-connected to nearby towns and cities through a number of A-roads and the M66 motorway.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management

Appointment of trustees

The trust deed, as variously amended, provides for at least three trustees. The appointment of trustees is vested in the continuing trustees (excluding any retiring trustees). The appointment of teachers, administrators, and other persons required for the running of the Institution is in the hands of the Principal. The trustees have responsibility for appointing a Principal.

Organisational structure

The trustees may from time to time make such rules and regulations in their absolute discretion think fit for the management of the Institution and may at any time vary such rules and regulations. At regular meetings, the Trustees agree the area of activity for the trust, as well as reviewing policies, securing accountability, and measuring performance.

Induction and training of new trustees

There are informal procedures for induction and training of new trustees. Trustees are also encouraged to attend external briefings and training courses. No new trustee has been appointed in the period of this report.

Risk Assessment

The trustees continue to monitor and review major risks which the charity is exposed to and where necessary control and implement systems and procedures to manage those risks.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Report of the Trustees 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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 24/6/2022 and signed on its behalf by:


.....
Naushad Abdul Aziz - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DARUL ULOOM AL ARABIYA AL ISLAMIYA

Opinion

We have audited the financial statements of Darul Uloom Al Arabiya Al Islamiya (the 'charity') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
DARUL ULOOM AL ARABIYA AL ISLAMIYA**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Farook Patel (Senior Statutory Auditor)
Xeinadin Audit Ltd (Statutory Auditor)
36 Old Jewry
London
EC2R 8DD

Date:28/06/2022.....

DARUL ULOOM AL ARABIYA AL ISLAMIYA

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 Unrestricted funds £	2020 Total funds £
Income and endowments from Donations and legacies	2	711,725	676,837
Expenditure on Charitable activities Charitable activities	3	775,879	648,480
NET INCOME/(EXPENDITURE)		(64,154)	28,357
Reconciliation of funds			
Total funds brought forward		2,584,067	2,555,710
Total funds carried forward		<u>2,519,913</u>	<u>2,584,067</u>

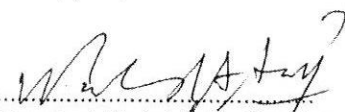
The notes form part of these financial statements

DARUL ULOOM AL ARABIYA AL ISLAMIYA

STATEMENT OF FINANCIAL POSITION
31 AUGUST 2021

		2021	2020
		Unrestricted funds £	Total funds £
Fixed assets	Notes		
Tangible assets	7	2,323,719	2,290,221
Current assets			
Debtors	8	134,670	137,555
Cash at bank and in hand		157,583	190,091
		<hr/>	<hr/>
		292,253	327,646
Creditors			
Amounts falling due within one year	9	(96,059)	(33,800)
		<hr/>	<hr/>
Net current assets		<u>196,194</u>	<u>293,846</u>
Total assets less current liabilities		2,519,913	2,584,067
		<hr/>	<hr/>
NET ASSETS		<u>2,519,913</u>	<u>2,584,067</u>
Funds	10		
Unrestricted funds		<u>2,519,913</u>	<u>2,584,067</u>
Total funds		<u>2,519,913</u>	<u>2,584,067</u>
		<hr/>	<hr/>

The financial statements were approved by the Board of Trustees and authorised for issue on 24/6/2022 and were signed on its behalf by:


Naushad Abdul Aziz - Trustee


Sulaiman Hafejee - Trustee

The notes form part of these financial statements

DARUL ULOOM AL ARABIYA AL ISLAMIYA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

Notes	2021 £	2020 £
Cash flows from operating activities		
Cash generated from operations 1	<u>36,697</u>	<u>30,185</u>
Net cash provided by operating activities	<u>36,697</u>	<u>30,185</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	<u>(69,205)</u>	<u>(105,362)</u>
Net cash used in investing activities	<u>(69,205)</u>	<u>(105,362)</u>
	—————	—————
Change in cash and cash equivalents in the reporting period	(32,508)	(75,177)
Cash and cash equivalents at the beginning of the reporting period	<u>190,091</u>	<u>265,268</u>
Cash and cash equivalents at the end of the reporting period	<u><u>157,583</u></u>	<u><u>190,091</u></u>

The notes form part of these financial statements

DARUL ULOOM AL ARABIYA AL ISLAMIYA

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Reconciliation of net (expenditure)/income to net cash flow from operating activities			
	2021	2020	
	£	£	
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(64,154)	28,357	
Adjustments for:			
Depreciation charges	35,708	34,804	
Decrease/(increase) in debtors	2,885	(55,114)	
Increase in creditors	<u>62,258</u>	<u>22,138</u>	
Net cash provided by operations	<u>36,697</u>	<u>30,185</u>	
2. Analysis of changes in net funds			
	At 1.9.20	Cash flow	At 31.8.21
	£	£	£
Net cash			
Cash at bank and in hand	<u>190,091</u>	<u>(32,508)</u>	<u>157,583</u>
	<u>190,091</u>	<u>(32,508)</u>	<u>157,583</u>
Total	<u>190,091</u>	<u>(32,508)</u>	<u>157,583</u>

The notes form part of these financial statements

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

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

Tangible fixed assets

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

Freehold property	- 2% per annum straight line basis
Fixtures and fittings	- 15% on reducing balance

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

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

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

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

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash and bank in hand, trade debtors and other debtors £287,341(2020: £327,646). Financial liabilities held at amortised cost comprise all creditors except social security and other taxes £94,653 (2020: £33,800).

DARUL ULOOM AL ARABIYA AL ISLAMIYA

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

2. Donations and legacies

	2021 £	2020 £
Donations	116,655	103,403
Grants	61,129	36,556
School fees	<u>533,941</u>	<u>536,878</u>
	<u>711,725</u>	<u>676,837</u>

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

	2021 £	2020 £
Other grants	<u>61,129</u>	<u>36,556</u>

Grants include the amount received as Coronavirus Job Retention money received from the government as a compensation for the salary loss to the employees.

3. Charitable activities costs

	Direct Costs £	Support costs (see note 4) £	Totals £
Charitable activities	<u>371,904</u>	<u>403,975</u>	<u>775,879</u>

4. Support costs

	Management £	Finance £	Governance costs £	Totals £
Charitable activities	<u>317,386</u>	<u>2,951</u>	<u>83,638</u>	<u>403,975</u>

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

Management

	2021 Charitable activities £	2020 Total activities £
Wages	84,115	62,707
Rates and water	20,817	31,524
Insurance	6,750	6,095
Light and heat	61,702	63,535
Telephone	1,092	815
Postage and stationery	4,100	3,435
Sundries	10,914	3,501
Cleaning	3,127	5,833
Canteen	51,628	68,146
Travel expenses	2,583	24
Repairs and renewals	34,850	20,519
Depreciation of tangible and heritage assets	<u>35,708</u>	<u>34,804</u>
	<u>317,386</u>	<u>300,938</u>

4. Support costs - continued
Finance

	2021 Charitable activities £	2020 Total activities £
Bank charges	<u>2,951</u>	<u>1,708</u>

Governance costs

	2021 Charitable activities £	2020 Total activities £
Auditors' remuneration	3,600	3,600
Accountancy and legal fees	<u>80,038</u>	<u>57,813</u>
	<u>83,638</u>	<u>61,413</u>

5. Trustees' remuneration and benefits

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

Trustees' expenses

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

6. Staff costs

	2021 £	2020 £
Wages and salaries	425,599	330,815
Social security costs	<u>2,578</u>	<u>-</u>
	<u>428,177</u>	<u>330,815</u>

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

	2021	2020
Staff	<u>50</u>	<u>60</u>

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

7. Tangible fixed assets			
	Freehold property £	Fixtures and fittings £	Totals £
Cost			
At 1 September 2020	2,285,277	852,156	3,137,433
Additions	<u>19,600</u>	<u>49,605</u>	<u>69,205</u>
At 31 August 2021	<u>2,304,877</u>	<u>901,761</u>	<u>3,206,638</u>
Depreciation			
At 1 September 2020	147,111	700,101	847,212
Charge for year	<u>9,220</u>	<u>26,487</u>	<u>35,707</u>
At 31 August 2021	<u>156,331</u>	<u>726,588</u>	<u>882,919</u>
Net book value			
At 31 August 2021	<u>2,148,546</u>	<u>175,173</u>	<u>2,323,719</u>
At 31 August 2020	<u>2,138,166</u>	<u>152,055</u>	<u>2,290,221</u>
8. Debtors: amounts falling due within one year			
	2021	2020	
	£	£	
Trade debtors	66,393	72,660	
Other loans	63,365	63,365	
Prepayments	<u>4,912</u>	<u>1,530</u>	
	<u>134,670</u>	<u>137,555</u>	
9. Creditors: amounts falling due within one year			
	2021	2020	
	£	£	
Trade creditors	16,183	7,582	
Taxation and social security	1,406	-	
Other creditors	<u>78,470</u>	<u>26,218</u>	
	<u>96,059</u>	<u>33,800</u>	
10. Movement in funds			
	At 1.9.20	Net movement in funds	At 31.8.21
	£	£	£
Unrestricted funds			
Unrestricted funds	<u>2,584,067</u>	(64,154)	2,519,913
TOTAL FUNDS	<u>2,584,067</u>	<u>(64,154)</u>	<u>2,519,913</u>

10. Movement in funds - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted funds	711,725	(775,879)	(64,154)
	<u>711,725</u>	<u>(775,879)</u>	<u>(64,154)</u>
TOTAL FUNDS	<u>711,725</u>	<u>(775,879)</u>	<u>(64,154)</u>

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
Unrestricted funds	2,555,710	28,357	2,584,067
	<u>2,555,710</u>	<u>28,357</u>	<u>2,584,067</u>
TOTAL FUNDS	<u>2,555,710</u>	<u>28,357</u>	<u>2,584,067</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted funds	676,837	(648,480)	28,357
	<u>676,837</u>	<u>(648,480)</u>	<u>28,357</u>
TOTAL FUNDS	<u>676,837</u>	<u>(648,480)</u>	<u>28,357</u>

11. Related party disclosures

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

DARUL ULOOM AL ARABIYA AL ISLAMIYA

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021

	2021 £	2020 £
Income and endowments		
Donations and legacies		
Donations	116,655	103,403
Grants	61,129	36,556
School fees	<u>533,941</u>	<u>536,878</u>
	<u>711,725</u>	<u>676,837</u>
Total incoming resources	711,725	676,837
Expenditure		
Charitable activities		
Wages	341,484	268,108
Social security	2,578	-
Books and School trips	<u>27,842</u>	<u>16,313</u>
	371,904	284,421
Support costs		
Management		
Wages	84,115	62,707
Rates and water	20,817	31,524
Insurance	6,750	6,095
Light and heat	61,702	63,535
Telephone	1,092	815
Postage and stationery	4,100	3,435
Sundries	10,914	3,501
Cleaning	3,127	5,833
Canteen	51,628	68,146
Travel expenses	2,583	24
Repairs and renewals	34,850	20,519
Freehold property	9,220	9,141
Fixtures and fittings	<u>26,488</u>	<u>25,663</u>
	317,386	300,938
Finance		
Bank charges	2,951	1,708
Governance costs		
Auditors' remuneration	3,600	3,600
Accountancy and legal fees	<u>80,038</u>	<u>57,813</u>
	<u>83,638</u>	<u>61,413</u>
Total resources expended	<u>775,879</u>	<u>648,480</u>
Net (expenditure)/income	<u>(64,154)</u>	<u>28,357</u>

This page does not form part of the statutory financial statements

DARUL ULOOM AL ARABIYA AL ISLAMIYA

England & Wales - Charity number 506980

Accounts

DARUL ULOOM AL ARABIYA AL ISLAMIYA
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

Riley Moss Audit LLP (Statutory Auditor)
Riley House
183-185 North Road
Preston
Lancashire
PR1 1YQ

DARUL ULOOM AL ARABIYA AL ISLAMIYA

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 4
Report of the Independent Auditors	5 to 6
Statement of Financial Activities	7
Statement of Financial Position	8
Statement of Cash Flows	9
Notes to the Statement of Cash Flows	10
Notes to the Financial Statements	11 to 16
Detailed Statement of Financial Activities	17 to 18

DARUL ULOOM AL ARABIYA AL ISLAMIYA

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020**

Trustees	Naushad Abdul Aziz Sulaiman Hafejee Ibrahim Mohammad Amin Gajaria Rachid Ismael (appointed 18.11.19)
Principal address	Holcombe Hall Holcombe NR Bury Lancashire BL8 4NG
Registered charity number	506980
Independent auditors	Riley Moss Audit LLP (Statutory Auditor) Riley House 183-185 North Road Preston Lancashire PR1 1YQ

DARUL ULOOM AL ARABIYA AL ISLAMIYA

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their report with the financial statements of the charity for the year ended 31 August 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

The objectives of the Charity as specified in the Trust Deed are the establishment and operation of an educational institution for the purpose of training students for the Islamic priesthood and for the further education of qualified Islamic priests. In furtherance of its objectives, the Charity runs an independent boarding school for boys by the same name, Darul Uloom Al Arabiya Al Islamiya, which is registered with the Department for Education (DfE) with registration number 351/6007. The Institution, in addition to serving as a centre of higher Islamic education, is also committed to the provision of secular education at secondary and sixth form levels, offering a diverse range of subjects at KS3, KS4 and KS5 levels. The age range of the student body of the Institution is between 11 and 23.

Upon graduation, students are encouraged to pursue further education at British universities in a discipline of their choice. To facilitate this, the Institution has over the years developed good relationships with Higher Education providers, thereby creating opportunities for effective progression for its graduates. The Institution takes pride in the fact that to date, a host of its graduates have obtained undergraduate, graduate and doctoral degrees in a wide range of disciplines, and are serving their communities in a variety of ways. The Institution strives to foster a meaningful awareness within students about their socio-cultural context, in an environment that is both conducive to their learning and moral welfare. It seeks to instil in them the values and attitudes required for good global citizenship and for a shared concern for the common causes affecting humanity as a whole. At present, the School does not have any pupils with special educational needs or learning difficulties.

Dedicated to a student-centric approach to education, Darul Uloom endeavours to provide its pupils with numerous opportunities to experience learning holistically. The curriculum - both Islamic and secular - is designed to cater for the linguistic, mathematical, scientific, moral, social, aesthetic, technological, physical, and spiritual needs of students. The comprehensive Islamic theology programme developed by the Institute aims to equip its students to assume scholarly, professional, and pastoral roles within their communities.

The Institute aims to ensure that the time spent at Darul Uloom facilitates its pupils' attainment of enduring spiritual, moral, social, cultural and religious awareness, in addition to excelling in physical and intellectual achievement. The Institute strives to remain a friendly environment where one has the opportunity to meet, live with, and learn from people from students and staff members of different socio-economic backgrounds, to learn to get on with others, to improve one's social and emotional intelligence, to become comfortable, confident, and disciplined in one's independence and to grow in one's faith. Darul Uloom celebrates diverse cultural heritages. Directed and student-led activities help improve multi-cultural awareness. All in all, Darul Uloom is committed to ensure its pupils gain a strong sense of community and an insight into the spiritual and social benefits of communal life.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020**

Achievement and performance

The Trustees are pleased to report that, despite the challenges presented by the continuing pandemic, there has been continued progress in attainments at both GCSE and sixth form levels in Summer 2020. All but one of its pupils achieved grade 5 or above in English and maths in this year's GCSE exams: 100% received grade 5 or above in English, and only one student received grade 4 in maths. By way of comparison, the percentage is 37% at the local authority level and 43% nationally. 100% of the cohort received grade 5 or above in Combined Sciences, Urdu and Arabic GCSEs. The School's Attainment 8 score for 2019 was 57.3, which was 13.8 points higher than the local average.

The sixth form provision of the School continues to improve. The School has this year enjoyed a 100% pass rate in all subjects - Arabic, Urdu, Maths, English Language, Accounting at A2 levels, and Physics, Chemistry and Sociology at AS levels.

In summary, Darul Uloom is proud to be able to maintain a good balance between high achievement and a spirit of service and devotion, thus providing an ideal environment for pupils to grow in and experience a vast array of social and academic skills in a safe and respectful manner. All this together makes for the most fruitful and memorable boarding school life.

Financial review

Reserves

It is policy of the Charity to maintain unrestricted funds at a level which equates to approximately 12 months' regular expenditure. This ensures there are always sufficient funds to cover management, administration, and support costs. The school's principal funding source is school fees, followed by charitable donations, though the School has not felt it appropriate since March 2020 to fundraise given the circumstances of the pandemic. The overhead expenditure has remained fairly consistent after taking into account increased staff costs due to the extra demand for the teaching staff to achieve a good teacher to student ratio.

Plans for the future period

The Trustees plan to continue to enhance the current standards of academic achievements as measured by the external public examinations and independent value-added criteria. This includes collaboration and sharing of good practice between academic departments and like institutions, improving internal communications and management information systems, and continuing to develop and enhance the facilities. They have also entered into negotiations with a number of specialist providers, and are conducting a thorough review of the School's complete provision, including extra-curricular opportunities, with a view to enhancing the extra-academic provision of the School even further in a sustainable manner.

Structure, governance and management

Governing document

The Charity is an unincorporated trust, constituted under a trust deed dated 1 November 1977, as amended, and is registered with the Charity Commission with the number 506980.

Location and history

Darul Uloom Al Arabiya Al Islamiya is the oldest school of its kind in the United Kingdom. It was founded by the late Shaikhul Hadith Hadhrat Maulana Yusuf Motala in 1973, and has since 1977 been located at Holcombe Hall, in the historic village of Holcombe, in the district of Ramsbottom, part of the Metropolitan Borough of Bury, at the northern edge of Greater Manchester. It is situated south of Haslingden, east of Edgworth, west of Ramsbottom, and north of Tottington.

The name Holcombe comes from the Celtic cwm, meaning valley, and the Old English hol, meaning deep or hollow. Historically wholly within Lancashire, it is located along the course of the River Irwell in a deep valley amongst the West Pennine Moors and is well-connected to nearby towns and cities through a number of A-roads and the M66 motorway.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020**

Structure, governance and management

Appointment of trustees

The trust deed, as variously amended, provides for at least three trustees. The appointment of trustees is vested in the continuing trustees (excluding any retiring trustees). The appointment of teachers, administrators, and other persons required for the running of the Institution is in the hands of the Principal. The trustees have responsibility for appointing a Principal.

Organisational structure

The trustees may from time to time make such rules and regulations in their absolute discretion think fit for the management of the Institution and may at any time vary such rules and regulations. At regular meetings, the Trustees agree the area of activity for the trust, as well as reviewing policies, securing accountability, and measuring performance.

Induction and training of new trustees

There are informal procedures for induction and training of new trustees. Trustees are also encouraged to attend external briefings and training courses. One trustee has been appointed in the period of this report in November 2019.

Risk Assessment

The trustees continue to monitor and review major risks which the charity is exposed to and where necessary control and implement systems and procedures to manage those risks.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Report of the Trustees 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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 21 June 2021 and signed on its behalf by:

.....
Naushad Abdul Aziz - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DARUL ULOOM AL ARABIYA AL ISLAMIYA

Opinion

We have audited the financial statements of Darul Uloom Al Arabiya Al Islamiya (the 'charity') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DARUL ULOOM AL ARABIYA AL ISLAMIYA

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Riley Moss Audit LLP (Statutory Auditor)
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Riley House
183-185 North Road
Preston
Lancashire
PR1 1YQ

Date: 28 June 2021

DARUL ULOOM AL ARABIYA AL ISLAMIYA

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

		2020 Unrestricted funds £	2019 Total funds £
Income and endowments from	Notes		
Donations and legacies	2	676,837	637,391
Expenditure on Charitable activities	3		
Charitable activities		648,480	592,289
NET INCOME		<u>28,357</u>	<u>45,102</u>
Reconciliation of funds			
Total funds brought forward		2,555,710	2,510,608
Total funds carried forward		<u><u>2,584,067</u></u>	<u><u>2,555,710</u></u>

The notes form part of these financial statements

DARUL ULOOM AL ARABIYA AL ISLAMIYA

STATEMENT OF FINANCIAL POSITION
31 AUGUST 2020

		2020 Unrestricted funds £	2019 Total funds £
Fixed assets	Notes		
Tangible assets	7	2,290,221	2,219,663
Current assets			
Debtors	8	137,555	82,441
Cash at bank and in hand		190,091	265,268
		<u>327,646</u>	<u>347,709</u>
Creditors			
Amounts falling due within one year	9	(33,800)	(11,662)
		<u>293,846</u>	<u>336,047</u>
Net current assets			
		293,846	336,047
Total assets less current liabilities		2,584,067	2,555,710
NET ASSETS		<u>2,584,067</u>	<u>2,555,710</u>
Funds	10		
Unrestricted funds		2,584,067	2,555,710
Total funds		<u>2,584,067</u>	<u>2,555,710</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 21 June 2021 and were signed on its behalf by:

.....
Naushad Abdul Aziz - Trustee

.....
Sulaiman Hafejee - Trustee

DARUL ULOOM AL ARABIYA AL ISLAMIYA**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	<u>30,185</u>	<u>93,505</u>
Net cash provided by operating activities		<u>30,185</u>	<u>93,505</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(105,362)</u>	<u>(39,862)</u>
Net cash used in investing activities		<u>(105,362)</u>	<u>(39,862)</u>
Change in cash and cash equivalents in the reporting period		<u>(75,177)</u>	<u>53,643</u>
Cash and cash equivalents at the beginning of the reporting period		<u>265,268</u>	<u>211,625</u>
Cash and cash equivalents at the end of the reporting period		<u><u>190,091</u></u>	<u><u>265,268</u></u>

The notes form part of these financial statements

DARUL ULOOM AL ARABIYA AL ISLAMIYA

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

1.	Reconciliation of net income to net cash flow from operating activities	2020	2019
		£	£
	Net income for the reporting period (as per the Statement of Financial Activities)	28,357	45,102
	Adjustments for:		
	Depreciation charges	34,804	33,798
	(Increase)/decrease in debtors	(55,114)	9,290
	Increase in creditors	22,138	5,315
	Net cash provided by operations	<u>30,185</u>	<u>93,505</u>

2.	Analysis of changes in net funds	At 1.9.19	Cash flow	At 31.8.20
		£	£	£
	Net cash			
	Cash at bank and in hand	265,268	(75,177)	190,091
		<u>265,268</u>	<u>(75,177)</u>	<u>190,091</u>
	Total	<u>265,268</u>	<u>(75,177)</u>	<u>190,091</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. **Accounting policies**

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

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

Tangible fixed assets

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

Freehold property	- 2% per annum straight line basis
Fixtures and fittings	- 15% on reducing balance

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

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

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

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

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash and bank in hand, trade debtors and other debtors £327,646 (2019: £347,709). Financial liabilities held at amortised cost comprise all creditors except social security and other taxes £33,800 (2019: £11,662).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

2. Donations and legacies

	2020 £	2019 £
Donations	103,403	129,236
Grants	36,556	-
School fees	536,878	508,155
	<u>676,837</u>	<u>637,391</u>

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

	2020 £	2019 £
Other grants	<u>36,556</u>	<u>-</u>

Grants include the amount received as Coronavirus Job Retention money received from the government as a compensation for the salary loss to the employees.

3. Charitable activities costs

	Direct Costs £	Support costs (see note 4) £	Totals £
Charitable activities	<u>284,421</u>	<u>364,059</u>	<u>648,480</u>

4. Support costs

	Management £	Finance £	Governance costs £	Totals £
Charitable activities	<u>300,938</u>	<u>1,708</u>	<u>61,413</u>	<u>364,059</u>

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

Management

	2020 Charitable activities £	2019 Total activities £
Wages	62,707	53,454
Social security	-	813
Rates and water	31,524	32,700
Insurance	6,095	2,817
Light and heat	63,535	55,890
Telephone	815	2,813
Postage and stationery	3,435	3,840
Carried forward	<u>168,111</u>	<u>152,327</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

4. Support costs - continued

Management - continued

	2020 Charitable activities £	2019 Total activities £
Brought forward	168,111	152,327
Sundries	3,501	-
Cleaning	5,833	6,850
Canteen	68,146	101,797
Travel expenses	24	1,947
Repairs and renewals	20,519	18,680
Depreciation of tangible and heritage assets	34,804	33,798
	<u>300,938</u>	<u>315,399</u>

Finance

	2020 Charitable activities £	2019 Total activities £
Bank charges	1,708	1,037

Governance costs

	2020 Charitable activities £	2019 Total activities £
Auditors' remuneration	3,600	4,200
Accountancy and legal fees	57,813	10,346
	<u>61,413</u>	<u>14,546</u>

5. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2020 nor for the year ended 31 August 2019.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020**6. Staff costs**

	2020	2019
	£	£
Wages and salaries	330,815	296,489
Social security costs	-	813
	<u>330,815</u>	<u>297,302</u>

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

	2020	2019
Staff	<u>60</u>	<u>51</u>

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

7. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Totals £
Cost			
At 1 September 2019	2,205,665	826,406	3,032,071
Additions	79,612	25,750	105,362
At 31 August 2020	<u>2,285,277</u>	<u>852,156</u>	<u>3,137,433</u>
Depreciation			
At 1 September 2019	137,970	674,438	812,408
Charge for year	9,141	25,663	34,804
At 31 August 2020	<u>147,111</u>	<u>700,101</u>	<u>847,212</u>
Net book value			
At 31 August 2020	<u>2,138,166</u>	<u>152,055</u>	<u>2,290,221</u>
At 31 August 2019	<u>2,067,695</u>	<u>151,968</u>	<u>2,219,663</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

8. Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	72,660	16,120
Other loans	63,365	63,365
Other debtors	-	2,956
Prepayments	1,530	-
	<u>137,555</u>	<u>82,441</u>

9. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	7,582	1,939
Other creditors	26,218	9,723
	<u>33,800</u>	<u>11,662</u>

10. Movement in funds

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
Unrestricted funds	2,555,710	28,357	2,584,067
	<u>2,555,710</u>	<u>28,357</u>	<u>2,584,067</u>
TOTAL FUNDS			

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted funds	676,837	(648,480)	28,357
	<u>676,837</u>	<u>(648,480)</u>	<u>28,357</u>
TOTAL FUNDS			

10. Movement in funds - continued

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
Unrestricted funds	2,510,608	45,102	2,555,710
TOTAL FUNDS	<u>2,510,608</u>	<u>45,102</u>	<u>2,555,710</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted funds	637,391	(592,289)	45,102
TOTAL FUNDS	<u>637,391</u>	<u>(592,289)</u>	<u>45,102</u>

11. Related party disclosures

There were no related party transactions for the year ended 31 August 2020.

12. Post balance sheet events

Since the year end, the Covid-19 pandemic has caused considerable disruption to the global economy. Notwithstanding that, Covid-19 is deemed to be a non-adjusting post balance sheet event. Having considered the impact of Covid-19 on the charity, the trustees consider that there are no non-adjusting post balance events that require disclosure in these financial statements as a result of Covid -19.

Page

DARUL ULOOM AL ARABIYA AL ISLAMIYA**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

	2020	2019
	£	£
Income and endowments		
Donations and legacies		
Donations	103,403	129,236
Grants	36,556	-
School fees	536,878	508,155
	<u>676,837</u>	<u>637,391</u>
Total incoming resources	676,837	637,391
Expenditure		
Charitable activities		
Wages	268,108	243,035
Books and School trips	16,313	18,272
	<u>284,421</u>	<u>261,307</u>
Support costs		
Management		
Wages	62,707	53,454
Social security	-	813
Rates and water	31,524	32,700
Insurance	6,095	2,817
Light and heat	63,535	55,890
Telephone	815	2,813
Postage and stationery	3,435	3,840
Sundries	3,501	-
Cleaning	5,833	6,850
Canteen	68,146	101,797
Travel expenses	24	1,947
Repairs and renewals	20,519	18,680
Freehold property	9,141	8,823
Fixtures and fittings	25,663	24,975
	<u>300,938</u>	<u>315,399</u>
Finance		
Bank charges	1,708	1,037
Governance costs		
Auditors' remuneration	3,600	4,200
Accountancy and legal fees	57,813	10,346
	<u>61,413</u>	<u>14,546</u>

This page does not form part of the statutory financial statements

DARUL ULOOM AL ARABIYA AL ISLAMIYA

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

	2020	2019
	£	£
Total resources expended	<u>648,480</u>	<u>592,289</u>
Net income	<u><u>28,357</u></u>	<u><u>45,102</u></u>

This page does not form part of the statutory financial statements