

Charity Registration No. 1137342
Company Registration No. 07246107

THE CITY OF KNOWLEDGE ACADEMY
(LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

ANSARI & CO LIMITED
Charity Accountants & Consultants
BIRMINGHAM
B28 8JG

THE CITY OF KNOWLEDGE ACADEMY (LIMITED BY GUARANTEE)

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FOR THE YEAR ENDED 31 DECEMBER 2019

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THE CITY OF KNOWLEDGE ACADEMY (LIMITED BY GUARANTEE)

**LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019**

Directors/Trustees	Abdul-Qayum Imran Dawood Arslaan Khan
Key Management Personnel	Mohammed Aslam <i>(Chief Executive Officer)</i> Tauseef Rehman <i>(Projects Manager)</i>
Principal Address	113 Golden Hillock Road Birmingham B10 0DX
Charity Number	1137342
Company Number	07246107
Independent Examiner	Mohammad Ansari Ansari & Co Limited Kings Court, 17 School Road Birmingham B28 8JG
Bankers	Barclays Bank Plc 534 Coventry Road Small Heath Birmingham B10 0UP

DIRECTORS' / TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees present their report and financial statements for the year ended 31 December 2019. All Trustees are Directors of the company, and the Trustees' report is also the Directors' report as required by Section 415 of the Companies Act 2006. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 01 January 2015).

Structure, governance and management

Governing document/Constitution

The organisation is a charitable company, and is also registered as a charity. The company was incorporated on 6th May 2010, and established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. The charity was registered with Companies House on 30th July 2010, under number 07246107.

Tax status

The Company is a registered charity and is exempt from corporation tax and income tax.

Recruitment and training of trustees

The Board of Trustees currently consists of 3 members who were recruited due to their commitment and expertise. Role descriptions, where applicable, are issued to each Trustee and a full induction is given setting out the obligations of a Trustee. List of current Trustees can be found on page 2 of this document.

Organisational structure

The Charity is principally based in Birmingham, UK. The Trustees are responsible for the governance of the Charity, and the day-to-day management is performed by the CEO, Projects Manager and volunteers.

Key risks and uncertainties

The Trustees actively review the major risks which the Charity faces on a regular basis, in particular those relating to its operations and finances. They are satisfied that systems are in place to mitigate the charity's exposure to the major risks. The risk management strategy comprises:

- A regular review of the risks which the Charity may face;
- The adequacy of current systems and procedures to mitigate those risks identified in the strategy; and
- The implementation of procedures designed to minimise any potential risk on the Charity should any of those risks materialise.

The strategy will be reviewed regularly by the Trustees.

Aims, objectives and activities

Aims, objectives and intended impacts

Objects:

- To advance the religion of Islam
- To advance the education of the public through the teaching of the Islamic faith
- The relief of poverty, sickness and distress
- To provide recreational facilities and activities in the interests of social welfare with the object of improving conditions of life for those persons in need of such facilities
- For any other exclusively charitable purpose, according to the laws of England and Wales, as the Trustees may, from time to time, determine

The City of Knowledge Academy (The Academy) aims to advance a true understanding of Islam through disseminating the mainstream AHL-US-SUNNAH WA-AL-JAMMA'AH methodology.

The Academy believes that all people, Muslim or not, of all ages have a right to know true Islam. The Academy places specific importance to the young generations of Muslims growing up in Birmingham. Providing correct teachings to them will not only advance their knowledge but also be a barrier that bares them from corrupt and distorted tendencies.

We aim to provide traditional Islamic learning to all ages. Our policy is to use modern techniques to serve the presentation of knowledge in a friendly manner. Our conviction is that knowledge can only be truly learnt if it is 'lived'. So, hence, our motto is 'to learn it is to live it'.

Public benefit statement

The section of this report above entitled 'Aims, objectives and activities' sets out the aims and priorities of the Charity.

The Trustees have considered this matter, in conjunction with the guidance contained in the Charity Commission's general guidance on public benefit, and have concluded:

- That the aims of the Charity continue to be charitable;
- That the aims and work done give identifiable benefits to the charitable sector and both indirectly and directly to individuals in need;
- That the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay; and
- That there is no detriment or harm arising from the aims or activities.

Review of achievements and performance for the year

Adult courses

We continued to deliver a number of courses and retreats in the year and increased our courses to operate in over 5 cities across the UK. We continued our trips abroad to hold courses in a number of different countries and in taking groups for pilgrimages.

Public Talks

The Academy has been fortunate enough to host some of the greatest teachers of our time over the years and this year again saw more talks from international speakers.

However, the continuing aspect of talks delivered by our own teachers both abroad and at home continued this year and were delivered in various cities all over England, in Europe and the Far East to mention a few of many such visits, including a number of return visits.

Financial review

Principal sources of funding

The principal source of funding for the Charity is from individual donors within the UK and generated income from courses. Voluntary donations received in the year decreased to £6,939 (December 2018: £17,758). Charitable income however, increased slightly due to an increase in number of courses held this year compared to the prior period. Charitable income in the year was £87,352 (December 2018: £82,578). Costs were kept under rigid control during the period and monitored regularly.

Reserves Policy

The Charity holds unrestricted funds which have been provided to the charity via donations and generated income. Under the terms of the donations, the charity must retain the assets in perpetuity and can only use the income to support its charitable activities.

The unrestricted funds represent income earned but not yet utilised in supporting charitable activities. At 31 December 2019, the charity held reserves of £40,947 (December 2018: £28,344).

Going Concern

The Charity reported a cash inflow for the year of £27,167 (2018: Outflow of £6,667) due to extra income generated and also a decrease in debtors owed at year-end. The Charity expects to make an inflow in 2020 also. After making further appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Future plans

The Academy has moved into an partner's education building and is actively working to setup a children's Islamic education facility in collaboration with Central Jamia Mosque Ghamkol Sharif in Small Heath, Birmingham. It is hoped that new supplementary school classes will begin in September/October 2020.

The Academy continues to concentrate on expanding its overseas tour visits (with a planned Hajj collaboration) and expanding the social media platform to promote our objectives over the internet.

We will also continue to deliver talks and courses throughout the UK and expand this side of the charity's work in a number of major cities.

DIRECTORS' / TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of Trustees' responsibilities

The Trustees are required to prepare financial statements for each financial year in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which give a true and fair view of the state of affairs of the Charity and the incoming resources and application of resources, including the net income and expenditure for the year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Accounts preparation

The Trustees confirm that the accounts comply with current statutory requirements, and with those of the governing instrument.

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the same Act.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 16 April 2021 and signed on their behalf, by:



Abdul-Qayum
Chair

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Independent examiner's report to the Trustees of The City of Knowledge Academy

I report on the financial statements of the charity for the year ended 31 December 2019 which are set out on pages 10 to 19.

This report is made solely to the charity's Trustees, as a body, in accordance with section 145 and the regulations made under section 154 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of Trustees and Examiner

The Trustees, who are also the Directors of the Company for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this period under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed.

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

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the Trustees, concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

**INDEPENDENT EXAMINERS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Independent examiner's statement

In the course of my examination, no matter has come to my attention:-

- 1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 386 of the Companies Act 2006; and
 - to prepare financial statements which accord with the accounting records and comply with accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Mohammad Ansari
Ansari & Co Limited
Charity Accountants & Consultants
Kings Court, 17 School Road
Birmingham, B28 8JG

Dated: 16 April 2021

THE CITY OF KNOWLEDGE ACADEMY (LIMITED BY GUARANTEE)

**STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
<u>Income from:</u>				
Donations and legacies	2	6,939	6,939	17,758
Charitable activities	3	87,352	87,352	82,578
Total income		94,291	94,291	100,336
<u>Expenditure on:</u>				
Raising funds	4	2,199	2,199	45
Charitable activities	5	79,489	79,489	91,318
Total expenditure		81,688	81,688	91,363
Net movement in funds for the year – Net income/(expenditure) for the year		12,603	12,603	8,973
Total funds brought forward		28,344	28,344	19,371
Total funds carried forward	12	40,947	40,947	28,344

All incoming resources and resources expended derive from continuing activities.

The notes on pages 13 to 19 form part of these financial statements.

THE CITY OF KNOWLEDGE ACADEMY (LIMITED BY GUARANTEE)

**BALANCE SHEET
AS AT 31 DECEMBER 2019**

		2019		2018	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	8		374		53
Current assets					
Debtors	9	1,115		130,000	
Cash at bank and in-hand		39,458		12,291	
		40,573		142,291	
Creditors: due within one year	10	–		114,000	
Net current assets			40,573		28,291
Net assets			40,947		28,344
Funds					
Unrestricted funds	12		40,947		28,344
			40,947		28,344

The notes on pages 13 to 19 form part of these financial statements.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

For the year ended 31 December 2019, the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements were approved by the Trustees on 16 April 2021 & signed on their behalf, by:



Abdul-Qayum
Chair

THE CITY OF KNOWLEDGE ACADEMY (LIMITED BY GUARANTEE)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Cash flows from operating activities:			
Net cash provided by operating activities	15	27,557	(6,667)
Cash flows from investing activities:			
Purchase of fixed assets		(390)	—
Net cash provided by operating activities		(390)	—
Increase / (decrease) in cash & cash equivalents in the reporting period		27,167	(6,667)
Cash & cash equivalents at the beginning of the reporting period		12,291	18,958
Cash & cash equivalents at the end of the reporting period	16	39,458	12,291

The notes on pages 13 to 19 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Charitable Company Information

The City of Knowledge Academy is a private limited charitable company, limited by guarantee, by not having share capital incorporated and domiciled in England & Wales. The registered office is 113 Golden Hillock Road, Birmingham, B10 0DX and the company registration number is 07246107.

1. Accounting policies

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in Sterling and rounded to the nearest £1.

The following principal accounting policies have been applied:

a) Incoming resources

Income includes the total funds received during the period and comprises donations collected directly or by volunteers and income from fundraising events. Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty.

Income tax reclaimable under the Gift Aid Scheme is recognised on an accruals basis.

Donors are given the option to restrict their donation when it is made. Any Gift Aid claimed on restricted donations is classed as unrestricted income.

b) Resources expended and basis of allocation

Expenditure is included when incurred and has been shown in the Statement of Financial Activities inclusive of non-recoverable Value Added Tax.

Expenditure on operational programmes is recognised in the period in which it is incurred.

Currently all costs are directly attributable to specific activities, but where required, certain shared costs will be apportioned to activities in furtherance of the objects of the Charity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

c) Funds accounting

Funds held by the charity are:

Unrestricted funds - These are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

d) Tangible Fixed assets

Tangible fixed assets are depreciated on a straight line basis per the following rates:

Computer equipment - 25% straight line

e) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

f) Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements, for at least a period of 12 months from the date of sign off of these accounts.

2. Donations and legacies

	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Voluntary donations	6,939	6,939	17,758
	6,939	6,939	17,758

3. Charitable activities - income

	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Course and event fees	87,352	87,352	82,578
	87,352	87,352	82,578

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Raising funds

	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Printing and marketing	108	108	45
Fundraising events	2,091	2,091	–
	<u>2,199</u>	<u>2,199</u>	<u>45</u>

5. Charitable activities - costs

	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Salaries & wages	16,026	16,026	16,026
Courses and events costs	62,062	62,062	74,349
Governance costs	1,401	1,401	988
	<u>79,489</u>	<u>79,489</u>	<u>91,363</u>

6. Staff costs

Staff costs were as follows:

	2019 £	2018 £
Salaries & wages	16,026	16,026
Social security costs	–	–
Pensions costs	–	–
	<u>16,026</u>	<u>16,026</u>

During the period £NIL (December 2018: £NIL) were paid for reimbursement of trustees' expenses. The Trustees received no other remuneration in the year or the prior year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Staff costs (cont.)

The average number of employees during the year, as a count, was as follows:

	2019	2018
	Number	Number
Management	2	2
	<u>2</u>	<u>2</u>

No employee received remuneration amounting to more than £60,000 in the period.

7. Taxation

No corporation tax has been provided in the financial statements as the company is a registered charity and is within the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988.

8. Tangible fixed assets

	Vehicles	Furniture & fittings	Computer equipment	Total
	£	£	£	£
Cost				
At 31 December 2018	600	–	6,358	6,958
Additions	–	–	390	390
Disposals in the period	(600)	–	(4,093)	(4,693)
At 31 December 2019	<u>–</u>	<u>–</u>	<u>2,655</u>	<u>2,655</u>
Depreciation				
At 31 December 2018	600	–	6,305	6,905
Charge for the period	–	–	69	69
Disposals in the period (2,346)	(600)	–	(4,093)	(4,693)
At 31 December 2019	<u>–</u>	<u>–</u>	<u>2,281</u>	<u>2,281</u>
Net book value				
At 31 December 2019	<u>–</u>	<u>–</u>	<u>374</u>	<u>374</u>
<i>At 31 December 2018</i>	<u>–</u>	<u>–</u>	<u>53</u>	<u>53</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Debtors

	2019	2018
	£	£
Auction deposit	–	130,000
Prepayments	1,115	–
	1,115	130,000

10. Creditors: due within one year

	2019	2018
	£	£
Interest free loans for auction deposit	–	114,000
	–	114,000

11. Financial instruments

	2019	2018
	£	£
Financial assets		
Financial assets measured at fair value through profit and loss:		
- Cash at bank and in-hand	39,458	12,291
- Debtors	1,115	130,000
	40,573	142,291
Financial liabilities		
Financial liabilities measured at fair value through profit and loss:		
- Interest free loans for auction deposit	–	114,000
	–	114,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Statement of funds

	Brought forward £	Incoming resources £	Resources expended £	Carried forward £
Unrestricted funds				
General reserve	28,344	94,291	(81,688)	40,947
Total funds	<u>28,344</u>	<u>94,291</u>	<u>(81,688)</u>	<u>40,947</u>

13. Analysis of net assets between funds

	Unrestricted funds £	Total £
Fund balances at 31 December 2019 are represented by:		
Tangible fixed assets	374	374
Net current assets	40,573	40,573
Total funds	<u>40,947</u>	<u>40,947</u>

	Unrestricted funds £	Total £
Fund balances at 31 December 2018 are represented by:		
Tangible fixed assets	53	53
Net current assets	28,291	28,291
Total funds	<u>28,344</u>	<u>28,344</u>

14. Related parties

There were no related party transactions in the year or in the year to 31 December 2018.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Reconciliation of cash flows from operating activities

	2019	2018
	£	£
Net income / (expenditure) for the reporting period	12,603	8,973
Add: Depreciation charge	69	360
(Increase) / decrease in debtors	128,885	(130,000)
Increase / (decrease) in creditors	(114,000)	114,000
	<hr/>	<hr/>
Net cash provided by operating activities	27,557	(6,667)
	<hr/>	<hr/>

16. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	39,458	12,291
	<hr/>	<hr/>
Total of cash and cash equivalents	39,458	12,291
	<hr/>	<hr/>

16A. Analysis of changes in net debt

	At start of year £	Cash flow in year £	At end of year £
Cash	12,291	27,167	39,458
	<hr/>	<hr/>	<hr/>
	12,291	27,167	39,458
	<hr/>	<hr/>	<hr/>

17. Ultimate controlling party

The trustees do not consider there to be an ultimate controlling party.