

The Charity Registration Number is :- 1045362

AL BADR ISLAMIC TRUST

Report and Accounts

31 December 2019

AL BADR ISLAMIC TRUST

Report and accounts for the year ended 31 December 2019

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AL BADR ISLAMIC TRUST

Trustees' Annual Report for the year ended 31 December 2019

The Trustees present their Report and Accounts for the year ended 31 December 2019.

Reference and administrative details

The charity name.

The legal name of the charity is:- AL BADR ISLAMIC TRUST

The charity is also known by its operating name, Jamea Al Kauthar.

The charity's areas operation and UK charitable registration.

The charity is registered in England & Wales with the Charity Commission in England & Wales (CCEW) with charity number 1045362

Legal structure of the charity

The charity is constituted as an unincorporated charity, established by Trust Deed. The governing document of the charity is the Trust Deed establishing the charity.

There are no restrictions in the governing documents on the operation of the Charity or on its investment powers other than those imposed by Charity Law.

The trustees are all individuals.

The principal operating address:

Jamea al Kauthar
Ashton Road
Lancaster
LA1 5AJ

The Trustees in office on the date the report was approved were:-

Mr Fazl Wadee
Mr Ziaooddin Satia
Mr Huzayfa Wadee

The trustees who served as a trustee in the reporting period were as shown above, and there were no changes during the year, or in the period between the year end and the approval of the accounts.

Delay in filling Annual return and accounts for 2019

The trustees requested an extension for the filling obligations due to Covid19. Most of the trustees and many of the staff and volunteers became ill with Covid and some are still recovering. The request was accepted and we are grateful for this.

Objects and activities of the charity

To advance education for the public benefit by the provision of Islamic boarding schools and to advance religion according to the tenets of the Islamic faith

The aim of the charity is to provide an opportunity to study traditional Islamic sciences with secondary and further education in a safe secure boarding school environment.

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The main activities undertaken in relation to those purposes during the year.

The Lancaster centre- Jamea al Kauthar. Established in 1996, we are dedicated to welcoming students into an academic atmosphere that is spiritually enriching and physically nurturing. We cater for girls from ages 11 and above, providing an Islamic education as well as high school and sixth form subjects.

The school places great emphasis on providing an excellent Islamic environment that is conducive to acquiring a good education whilst catering for a culturally and ethnically diverse student population. Students are challenged to pursue excellence in a family-like environment, and their welfare and progression is our highest priority. An extensive pastoral care system ensures that our girls are treated as important individuals. We are constantly working hard to improve our facilities to deliver a good education and a memorable student experience.

Jamea Al Kauthar is located in the heart of Lancaster in the UK, and consists of a Victorian four storey, grade II listed building (formerly The Royal Albert). The main building forms the central accommodation at the boarding school with separate wings designated for separate boarding houses. The madrasah and school are situated in two separate buildings, and all three buildings are surrounded by 20.5 acres of beautiful natural grounds giving a serene setting to relax and enhance the mind and body.

The Preston Centre- Abrar Academy opened in 2009 is an Independent Secondary College for boys from the age of 11. We offer a balanced curriculum, encompassing the full time Alimiyyah and Hifz course combined with the traditional English curriculum.

The main activities undertaken during the year to further the charity's purpose for the public benefit.

Jamea at Lancaster and Abrar Academy offers the following subjects at KS3: English, Maths, Science, ICT, Art, PSHE & Citizenship, Humanities, PE, and Urdu. At GCSE Level, students are entered for English Language, English Literature, Maths, Combined Science, Religious Studies, Urdu, ICT and History.

Jamea offers English, Urdu and Maths at AS Level and English, Urdu and RS at A2. Jamea also offers many level 3 courses, such as BTEC ICT, BTEC Science and BTEC Health & Social Care.

In September 2015, Abrar School in Preston opened its boarding facilities known as Darul ul Uloom Preston and has now many boarding students. All boarding students benefit from a spiritually uplifting environment that helps them develop spiritually and as exemplary citizens who greatly contribute to society.

We have recently expanded our provision for the Muslim community in the north west, with the purchase of additional facilities in Preston (to add to our expanding Preston centre), and with the establishment of a places of worship in both Accrington and Blackburn. Many of our newly established sites aim to provide Islamic education for disadvantaged children from deprived backgrounds.

The short term and longer term aims and objectives.

At our schools, we aspire to cultivate morality and inspire our girls and boys to graduate as able, confident British Muslim citizens and outstanding role models for their communities. To this end, the graduates of our college not only perform well in the school, they also transfer high standards of moral and ethical values, principles and standards to their chosen paths within their own communities. The long term objective is to instil religious Islamic education combined with secular education to enrich the fabric of tomorrow's society.

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Trustees' Annual Report for the year ended 31 December 2019

The main achievements and performance of the charity during the year.

This reporting year, Jamea Al Kauthar had the joy of celebrating the graduation ceremony of 27 Aalima and 8 Sanatayn students, whilst in Darul Uloom Preston 5 Aalim students graduated and 8 Hifz students completed their Quran memorisation..

The Trustees are happy to report yet again that the Jamea al Kauthar GCSE 2019 results were excellent. Students achieved 80% 9-5 in English and Maths, significantly above the national average. Students performed exceptionally well in English, Science, RS and Urdu and many students achieved well above the Attainment 8 and Ebacc point score average. Jamea al Kauthar's sixth form students have also excelled in English and Urdu A levels, producing excellent progress in both.

Abrar Academy in Preston, which serves as a residential and non-residential boys' school, is continuing to provide secondary education, as well as A level provision for post 16 boys. In 2019 some of the students completed their GCSE in conjunction with their Islamic curriculum

Fundraising activities during the year.

The charity relies on aid from the individual donors, whose support is valued. During the year the Trustees made special appeal to individual donors for funds to purchase the adjoining property at Park Campus Moor Park Avenue Preston and for the purchase of an additional building in Blackburn for the purpose of setting an Islamic education centre. There have been no other fundraising activities.

In order to comply with the disclosures required by Section 62A of the Charities Act 2011 as introduced by the Charities (Protection and Social Investment) Act 2016, the Trustees state that the Trust does not use professional fundraisers.

The difference the charity's performance during the year has made to the beneficiaries of the charity.

The Charity runs Islamic courses along with GCSE and A Level courses, benefitting more than 250 boarding students at the main Lancaster centre. This continues to draw much interest within the community, with many applicants applying from all over the country and Europe.

In Darul Uloom Preston, boarding provision for boys commenced in September 2015. The number of boarders is increasing and has reached capacity. The work of Phase 2 is ongoing, which will allow for an increase in capacity.

The degree to which the achievements and performance during the year have benefited wider society.

Al Badr Islamic Trust recognises the importance of contributing to the community and community cohesion. Many of the students that graduate from our schools, go on to work at schools and charities in their local area. Our students also regularly raise money for local charities and worldwide causes. The schools work on many initiatives that contribute to society, such as visits to the local old people's home and donating to local food and clothing banks.

AL BADR ISLAMIC TRUST

Trustees' Annual Report for the year ended 31 December 2019

Structure, governance and management of the charity

The methods used to recruit and appoint new charity trustees.

The trustees have the power to appoint new trustees. The board can invite suitable candidates who are from the local muslim community to serve as Trustees and new trustees will receive induction training which is tailored to the specific needs of the individual and will always include full training on organisational policies. There are no membership structure within the trust.

The charity has three appointed trustees who have overall control and responsibility for policy and major decision making. Day to day management and responsibility for implementing policies is carried out by a full time Managing Trustee Mr Fazl Wadee

Financial review

The charity's financial position at the end of the year ended 31 December 2019

The financial position of the charity at 31 December 2019 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows:-

	2019	2018
	£	£
Net income	108,330	150,761
Unrestricted Revenue Funds available for the general purposes of the charity	5,546,213	5,437,883
Restricted Funds	60,000	60,000
Total Funds	5,606,213	5,497,883

Financial review of the position at the reporting date, 31 December 2019 .

The trustees consider the financial performance by the charity during the year to have been satisfactory. The principal funding of the charity is from parents of students given by way of contributions fees for their children. Park Campus Moor Park Avenue, Preston PR1 6AS: This property was acquired and is now being rented by the previous owner and the rental income is materially contributing to a fixed yearly income that gives the Trust significant source of secured cash flow benefits.

Policies on reserves.

The level of cash reserves at any given time is based on the requirement for a full months expenditure. The level of cash liquid reserves changes drastically in the month of January, April and September when the fees instalment is received from the students. At the end of December the funds will always be at a low level. The fixed asset pool is fully utilised for charitable purposes. The Trust has a pool of assets under investment properties that are used to generate cash by way of rental income for maintaining a regular source of liquid funds. There are no designated funds set aside.

AL BADR ISLAMIC TRUST

Trustees' Annual Report for the year ended 31 December 2019

Going Concern

The trustees have given careful consideration to going concern. The net current asset liabilities is significantly in deficit, the trustees consider that the Karz Hassana (Interest free loans given for charitable purposes) are not demanded by the lenders for long periods of time, although legally they are payable on demand. Historically, these loans have remained fixed and many times converted into donations.

Covid 19

We have continued to carry out our school activities during the pandemic through digital means and have taken advantage of the furlough scheme for employees who were unable to work. Our student numbers have remained stable and we are confident that the pandemic will not have any significant impact on our operations

Availability and adequacy of assets of each of the funds

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

Plans for the future

We have continued to make improvements to our schools in 2019. At the Lancaster Site, we are progressing the maintenance work on our pipes and drainage system, as well as making significant repairs to the roof and guttering. We have made good progress in our ongoing refurbishment of house kitchens in the boarding building. At our Preston site, we have upgraded our ICT room, along with our continued general maintenance of the site.

We plan to continue the refurbishment programmes and upgrade the drainage systems at the Lancaster site.

Public Benefit

When planning the charity activities, the board of Trustees have taken into consideration the Commissions guidance and the specific guidance on charities for the advancement of religion.

It is charity policy, that when it is necessary to waive fees for services and goods provided to help the students from poor and disadvantaged families the trust will implement this policy and regard it as provision of services for public benefit.

Details of The Auditor

Ilyas Patel FCCA
Member of Chartered Certified Accountants
Solomon House
Belgrave Court
PR2 9PL

AL BADR ISLAMIC TRUST

Trustees' Annual Report for the year ended 31 December 2019

Statement of Trustees' Responsibilities

The charity's trustees are responsible for the Report of the Trustees and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008 and follow the specific guidance issued by the Charities Commission of England and Wales under FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities).

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

- to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

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

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with regulations made under the Charities Act 2011. 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.

Mr Ziaooddin Satia
Trustee
Date: 25 May 2021

Independent auditor's report to the Trustees of Al Badr Islamic Trust

Opinion

We have audited the financial statements of Al Badr Islamic Trust (the 'charity') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, Balance Sheet, The Cash Flow Statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 December 2019 and of its Income and Expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 Auditor's 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 Trust'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.

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon.

The Trustees are responsible for the other information contained within the annual report.

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. 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 course of 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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 is available on the Financial Reporting Council's website at www.frc.org/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Trustees of the charity, as a body, in accordance with the requirements of Section 144 of the Charities Act 2011 and regulations under Section 154 of the Act. Our work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume liability or responsibility to anyone other than the Trustees as a body, for our work, for this report or for the opinions we have formed.

Ilyas Patel
(Senior Statutory Auditor)
For and on behalf of Ilyas Patel (Accountants) Ltd
Chartered Certified Accountants

Date: 25 May 2021

AL BADR ISLAMIC TRUST - Statement of Financial Activities for the year ended 31 December 2019

Statement of Financial Activities for the year ended 31 December 2019

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2019 £	2019 £	2019 £	2018 £
Income & Endowments from:				
Donations & Legacies	261,144	-	261,144	260,164
Charitable activities	1,317,857	-	1,317,857	1,353,933
Investments	64,984	-	64,984	27,274
Total income	1,643,985	-	1,643,985	1,641,371
Expenditure on:				
Charitable activities	1,550,655	-	1,550,655	1,520,610
Total expenditure	1,550,655	-	1,550,655	1,520,610
Net gains on investments	15,000	-	15,000	30,000
Net income for the year	108,330	-	108,330	150,761
Net income after transfers	108,330	-	108,330	150,761
Net movement in funds	108,330	-	108,330	150,761
Reconciliation of funds:-				
Total funds brought forward	5,437,883	60,000	5,497,883	5,347,122
Total funds carried forward	5,546,213	60,000	5,606,213	5,497,883

A Statement of Total Recognised Gains and Losses is included as a primary statement in these accounts.

All activities derive from continuing operations

The notes attached on pages 14 to 25 form an integral part of these accounts.

AL BADR ISLAMIC TRUST - Statement of Financial Activities for the year ended 31 December 2019

AL BADR ISLAMIC TRUST - Analysis of prior year total funds, as required by paragraph 4.2 of the SORP

	Prior Year Unrestricted Funds 2018 £	Prior Year Restricted Funds 2018 £	Prior Year Total Funds 2018 £
Income from:			
Donations & Legacies	200,164	60,000	260,164
Charitable activities	1,353,933	-	1,353,933
Investments	27,274	-	27,274
Total income	1,581,371	60,000	1,641,371
Expenditure on:			
Charitable activities	1,520,610	-	1,520,610
Total expenditure	1,520,610	-	1,520,610
Net gains on investments	30,000		30,000
Net income for the year	60,761	60,000	120,761
Net income after transfers	90,761	60,000	150,761
Net movement in funds	90,761	60,000	150,761
Reconciliation of funds:-			
Total funds brought forward	5,347,122	-	5,347,122
Total funds carried forward	5,437,883	60,000	5,497,883

All activities derive from continuing operations

A Statement of Total Recognised Gains and Losses is included in these accounts as a separate primary statement

AL BADR ISLAMIC TRUST - Statement of Financial Activities for the year ended 31 December 2019

Statement of Total Recognised Gains and Losses for the year ended 31 December 2019

	2019 £	2018 £
Surplus for the year :-		
Net excess of income over expenditure from operations before tax	93,330	120,761
Income from operations before tax in the Statement of Financial Activities	<u>93,330</u>	<u>120,761</u>
Add/(deduct) non income and expenditure items:-		
Unrealised gains on investments	15,000	30,000
Net Movement in funds before taxation	<u>108,330</u>	<u>150,761</u>
Funds generated in the year as shown on Statement of Financial Activities	<u>108,330</u>	<u>150,761</u>

Resources applied in the year ended 31 December 2019 towards fixed assets for Charity use:-

	2019 £	2018 £
Funds generated in the year as detailed in the SOFA	108,330	150,761
Resources applied on functional fixed assets	(2,400)	(1,166,454)
Net resources available to fund charitable activities	<u>105,930</u>	<u>(1,015,693)</u>

Movements in revenue and capital funds for the year ended 31 December 2019

Revenue accumulated funds

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Last year Total Funds 2018 £
Accumulated funds brought forward	5,437,883	60,000	5,497,883	5,347,122
Recognised gains and losses before transfers	108,330	-	108,330	150,761
Closing revenue funds	<u>5,546,213</u>	<u>60,000</u>	<u>5,606,213</u>	<u>5,497,883</u>

Summary of funds

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Last Year Total Funds 2018 £
Revenue accumulated funds	<u>5,546,213</u>	<u>60,000</u>	<u>5,606,213</u>	<u>5,497,883</u>

The notes attached on pages 14 to 25 form an integral part of these accounts.

AL BADR ISLAMIC TRUST - Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	9	6,169,590	6,341,247
Investments held as fixed assets	10	810,000	795,000
Total fixed assets		<u>6,979,590</u>	<u>7,136,247</u>
Current assets			
Debtors	11	119,246	145,374
Investments held as current assets	12	150,138	150,138
Cash at bank and in hand		14,091	20,404
Total current assets		<u>283,475</u>	<u>315,916</u>
Creditors: amounts falling due within one year	13	<u>(1,656,852)</u>	<u>(1,954,280)</u>
Net current liabilities		(1,373,377)	(1,638,364)
The total net assets of the charity		<u>5,606,213</u>	<u>5,497,883</u>
The total net assets of the charity are funded by the funds of the charity, as follows:-			
Restricted Funds	16	60,000	60,000
Unrestricted Funds			
Unrestricted Revenue Funds	16	5,546,213	5,437,883
Total charity funds		<u>5,606,213</u>	<u>5,497,883</u>

The Trustees acknowledge their responsibilities for complying with the requirements of charity legislation with respect to accounting records and the preparation of accounts.

The charity is subject to audit under charity legislation, and the report of the Charities Act auditor is on page 8.

Mr Fazl Wadee
Trustee
Approved by the board of trustees on 25 May 2021

The notes attached on pages 14 to 25 form an integral part of these accounts.

AL BADR ISLAMIC TRUST

Cash Flow Statement for the year ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
Net cash provided by operating activities as shown below	150,290	965,562
Cash flows from investing activities		
Other investment income, including rents from investments	64,984	27,274
Proceeds from sale of property, plant and equipment	-	1,514
Purchase of property, plant and equipment	(2,400)	(1,166,454)
Net cash used in investing activities	62,584	(1,137,666)
Cash flows from financing activities		
Cash inflows from new borrowings	(250,255)	154,300
Net cash provided by /(used in) financing activities	(250,255)	154,300
Overall cash used in all activities	(37,381)	(17,804)
Cash movements		
Change in cash and cash equivalents from activities in the year ended 31 December 2019	(37,381)	(17,804)
Cash and cash equivalents at 1 January 2019	15,699	33,503
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash at bank and in hand less overdrafts at 31 December	(21,682)	15,699
Reconciliation of net income to net cash flow from operating activities		
Net income as shown in the Statement of Financial Activities	108,330	150,761
Adjustments for :-		
Depreciation charges	174,057	170,151
Write downs of investments	-	-
Net gains on investment assets	(15,000)	(30,000)
Dividends, interest and rents from investments	(64,984)	(27,274)
Increase in current asset investments	-	(110,138)
Decrease/(increase) in debtors	26,128	659,392
Increase/(decrease) in creditors, excluding loans	(78,241)	152,670
Net cash provided by operating activities	150,290	965,562
Analysis of cash and cash equivalents		
	2019 £	2018 £
Cash in hand at for the year ended 31 December 2019	14,091	20,404
Overdrafts facility repayable on demand	(35,773)	(4,705)
Total cash and cash equivalents	(21,682)	15,699

AL BADR ISLAMIC TRUST

Notes to the Accounts for the year ended 31 December 2019

1 Accounting policies

Policies relating to the production of the accounts.

Basis of preparation and accounting convention

The accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with the Financial Reporting Standard 102, and Charities SORP FRS102 (Effective 1 January 2019) published by Charities Commission in England and Wales and in accordance with all applicable law and United Kingdom Generally Accepted Accounting Standards and Practice

The charity is a public benefit entity.

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commissions's general guidance on public benefit

Recognition of Income, liabilities and expenditure

Incoming resources are accounted for on a receivable basis except for donations which are accounted for only when received. The value of services provided by volunteers has not been included.

Resources expended are recognised in the period in which they are incurred, Resources expended include the attributable VAT. It comprises those resources expended by the charity in the delivery of its education services for the benefit of its beneficiaries, mainly children. A liability, and the related expenditure, is recognised when a legal or constructive obligation exists as a result of a past event, and when it is more likely than not that a transfer of economic benefits will be required in settlement, and when the amount of the obligation can be measured or reliably estimated.

Tangible fixed assets

Tangible fixed assets are measured at their original cost value, or subsequent revaluation, or if donated, as described above. Cost value includes all costs expended in bringing the asset into its intended working condition. Assets under £500 are not capitalised when acquired and if the net book value falls below £500 the amount is written off. All assets that have been fully depreciated are also removed from the fixed assets valuation

Depreciation has been provided at the following rates in order to write off the assets to their anticipated residual value over their estimated useful lives.

Freehold land	nil
Buildings	2 % straight line
Plant and machinery, fixtures and vehicles	25 % reducing balance

A regular annual review of the likelihood of asset impairment is undertaken.

Debtors

Debtors are measured at their recoverable amounts at the balance sheet date.

Creditors and provisions

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price. Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the objectives of the charity. There are no designated funds set up by the Trustees

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal or as implied by law. The Trust has restricted fixed assets funds

AL BADR ISLAMIC TRUST

Notes to the Accounts for the year ended 31 December 2019

2 Liability to taxation

The Trustees consider that the charity satisfies the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively on the specific charitable objects of the charity and for no other purpose. Value Added Tax is not recoverable by the charity, and is therefore included in the relevant costs in the Statement of Financial Activities.

3 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

4 Significance of financial instruments to the charity's position

The loans under creditors due within one year are loans known as Karze Hassana and loaned by individuals on the basis that they are repayable on demand and interest free.

5 Net surplus before tax in the financial year

	2019 £	2018 £
The net surplus before tax in the financial year is stated after charging:-		
Depreciation of owned fixed assets	174,057	170,151
Pension costs	998	-
Auditors' remuneration	1,200	1,200

6 Investment gains

	Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Unrealised gains /(losses) and writing down of carrying values				
Investment properties - Unrealised	15,000	-	15,000	30,000
Total unrealised gains/(losses) etc	15,000	-	15,000	30,000

AL BADR ISLAMIC TRUST

Notes to the Accounts for the year ended 31 December 2019

7 Staff costs and emoluments

Salary costs	2019	2018
	£	£
Gross Salaries excluding trustees and key management personnel	391,479	352,864
Employer's operating costs of defined contribution pension schemes	998	-
Total salaries, wages and related costs	392,477	352,864

Numbers of full time employees or full time equivalents	2019	2018
The average number of total staff employed in the year was	52	50

The estimated staff deployed in different activities in the year was:-

Engaged on charitable activities	49	47
Engaged on management and administration	3	3

None of the trustees have received any remuneration from the charity or any related entity, either in the current or prior year. The details of remuneration paid to persons connected to the trustees are shown in note 8

No employees received emoluments (excluding pension costs) in excess of £60,000 per annum.

8 Remuneration and payments to persons connected with the Trustees

	2019	2018
	£	£
Hamna Wadee	5,274	5,035
Fatema Wadee	9,240	8,348
	14,514	13,383

The payments to the above are for services to support the activities of the charity and the payment is comparable to other staff in similar position. The payment is not specifically prohibited by the Trust deeds.

9 Tangible fixed assets

	Land and Buildings	Plant & Machinery & Vehicles	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 January 2019	7,227,581	612,774	300,826	8,141,181
Additions	-	2,400	-	2,400
At 31 December 2019	7,227,581	615,174	300,826	8,143,581
Depreciation				
At 1 January 2019	1,005,918	555,493	238,523	1,799,934
Charge for the year	137,552	19,660	16,845	174,057
At 31 December 2019	1,143,470	575,153	255,368	1,973,991
Net book value				
At 31 December 2019	6,084,111	40,021	45,458	6,169,590
At 31 December 2018	6,221,663	57,281	62,303	6,341,247

Freehold land at valuation on acquisition not depreciated included above **£350,000**

There are no inalienable or heritage assets and all assets are used for direct charitable purposes.

AL BADR ISLAMIC TRUST

Notes to the Accounts for the year ended 31 December 2019

10 Investments held as fixed assets

	Properties for rental income	Total
	£	£
Carrying values of investments		
At 1 January 2019	795,000	795,000
Revaluation at 31 December 2019	15,000	15,000
At 31 December 2019	810,000	810,000
Analysis between fair value and historical cost		
Investments as above held at fair value	810,000	810,000
Investments as above held at historical cost, less any write down	654,459	654,459

The open market valuation was carried out by the Trustees using values that are regarded as minimum prices below which the Trustees would not accept for disposal given the current market conditions

11 Debtors

	2019 £	2018 £
Trade debtors	119,246	145,179
Other debtors	-	195
	119,246	145,374

12 Investments held as current assets at cost value at 31 December 2019

	2019 £	2018 £
at cost		
Other investments	150,138	150,138

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Karze Hassana loans and bank overdrafts	1,310,905	1,530,092
Trade creditors	341,997	420,338
Accruals	3,950	3,850
	1,656,852	1,954,280

AL BADR ISLAMIC TRUST

Notes to the Accounts for the year ended 31 December 2019

14 Income and Expenditure account summary

	2019 £	2018 £
At 1 January 2019	5,467,883	5,347,122
Surplus after tax for the year	93,330	120,761
At 31 December 2019	<u>5,561,213</u>	<u>5,467,883</u>

15 Particulars of how particular funds are represented by assets and liabilities

At 31 December 2019	Unrestricted funds £	Designated funds £	Restricted funds £	Total Funds £
Tangible Fixed Assets	6,109,590	-	60,000	6,169,590
Investments at valuation:-				
<i>Fixed asset investments</i>	810,000	-	-	810,000
Current Assets	283,475			283,475
Current Liabilities	(1,656,852)	-	-	(1,656,852)
	<u>5,546,213</u>	<u>-</u>	<u>60,000</u>	<u>5,606,213</u>
At 1 January 2019	Unrestricted funds £	Designated funds £	Restricted funds £	Total Funds £
Tangible Fixed Assets	6,341,247	-	-	6,341,247
Investments at valuation:-				
Fixed asset investments	795,000	-	-	795,000
Current Assets	255,916	-	60,000	315,916
Current Liabilities	(1,954,280)	-	-	(1,954,280)
	<u>5,437,883</u>	<u>-</u>	<u>60,000</u>	<u>5,497,883</u>

16 Change in total funds over the year as shown in Note 15 , analysed by individual funds

	Funds brought forward from 2018 £	Movement in funds in 2019 See Note 17 £	Transfers between funds in 2019 £	Funds carried forward to 2020 £
<i>Unrestricted and designated funds:-</i>			-	
Total unrestricted and designated funds	<u>5,437,883</u>	<u>108,330</u>	<u>-</u>	<u>5,546,213</u>
<i>Restricted funds:-</i>				
Restricted Fixed Asset Funds	-	-	-	-
Total charity funds	<u>5,437,883</u>	<u>168,330</u>	<u>-</u>	<u>5,606,213</u>

AL BADR ISLAMIC TRUST

Notes to the Accounts for the year ended 31 December 2019

17 Analysis of movements in funds over the year as shown in Note 16

	Income	Expenditure	Other Gains & Losses	Movement in funds
	2019	2019	2019	2019
	£	£	£	£
Unrestricted and designated funds:-				
Unrestricted Revenue Funds	1,643,985	(1,550,655)	15,000	108,330
Restricted funds:-				
Restricted Fixed Asset Funds	-	-	-	-
	<u>1,643,985</u>	<u>(1,550,655)</u>	<u>15,000</u>	<u>108,330</u>

18 The purposes for which the funds as detailed in note 16 are held by the charity are:-

Unrestricted and designated funds:-

Unrestricted Revenue Funds

These funds are held for the meeting the objectives of the charity, and to provide reserves for future activities, and , subject to charity legislation, are free from all restrictions on their use.

Restricted asset funds

These funds are held in accordance with the restrictions placed by the donor in the land registry documents.

19 Ultimate controlling party

The charity is under the control of its legal trustees

AL BADR ISLAMIC TRUST

Activity analysis of Income and expenditure for the for the year ended 31 December 2019

This analysis is classssified by activity and not by conventional nominal descriptions.

20 Analysis of income by activity

	2019 £	2018 £
Activity		
Income from charitable activities		
Teaching activities	1,241,796	1,281,679
Welfare and accomodation	65,166	63,577
Student support	10,895	8,677
Total Income from charitable activities	1,317,857	1,353,933
 Summary of Total Income, including the items above		
Charitable activities	1,317,857	1,353,933
Donations & Legacies	261,144	260,164
Investment income	64,984	27,274
Total income as shown in the SOFA	1,643,985	1,641,371

21 Analysis of charitable expenditure by activity

Activity	Direct costs	Support costs	Grant funding of activities	Total	Total
	2019 £	2019 £	2019 £	2019 £	2018 £
Teaching activities					
Direct costs	442,114	-	-	442,114	418,731
Premises expenses	-	287,762	-	287,762	258,997
Administrative overheads	-	3,175	-	3,175	2,881
Depreciation	-	77,199	-	77,199	68,785
Total Teaching activities	442,114	368,136	-	810,250	749,394
	Direct costs	Support costs	Grant funding of activities	Total	Total
	2019 £	2019 £	2019 £	2019 £	2018 £
Welfare and accomodation					
Direct costs	125,821	-	-	125,821	111,313
Premises expenses	-	410,277	-	410,277	466,416
Administrative overheads	-	1,500	-	1,500	9,876
Depreciation	-	77,199	-	77,199	68,785
Total Welfare and accomodation	125,821	488,976	-	614,797	656,390

AL BADR ISLAMIC TRUST

Activity analysis of Income and expenditure for the for the year ended 31 December 2019

	Direct costs	Support costs	Grant funding of activities	Total	Total
	2019	2019	2019	2019	2018
	£	£	£	£	£
Student support					
Employee costs not included in direct cos	-	1,211	-	1,211	1,240
Administrative overheads	-	41,927	-	41,927	67,244
Professional fees	-	19,669	-	19,669	5,955
Depreciation	-	20,037	-	20,037	32,683
Total Student support	-	82,844	-	82,844	107,122

Summary of charitable costs by activity

	Direct costs	Support costs	Grant funding of activities	Total	Total
	2019	2019	2019	2019	2018
	£	£	£	£	£
Total Teaching activities	442,114	368,136	-	810,250	749,394
Total Welfare and accomodation	125,821	488,976	-	614,797	656,390
Total Student support	-	82,844	-	82,844	107,122
Total Governance costs as detailed in Note 29	-	4,717	-	4,717	7,704
Total charitable expenditure	567,935	944,673	-	1,550,655	1,520,610

The basis of allocation of costs between activities is described under accounting policies

The breakdown of this expenditure by type of spending (ie nominal classification) is detailed in note 30

Analysis of support and governance costs by charitable activities

Activity	Governance	Depreciation	Human Resources	Other Overheads	Total
	£	£	£	£	£
Teaching activities		77,199	-	290,937	368,136
Welfare and accomodation	-	77,199	-	411,777	488,976
Student support	4,717	20,037	1,211	61,596	87,561
Grand Total	4,717	174,435	1,211	764,310	944,673

AL BADR ISLAMIC TRUST

Detailed analysis of income and expenditure for the year ended 31 December 2019 as required by the SORP 2019

This analysis is classified by conventional nominal descriptions and not by activity.

23 Donations and Legacies

	Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Donations and gifts from individuals				
General donations from individuals and	261,144	-	261,144	200,164
Donation of restricted asset property	-	-	-	60,000
Total Donations and Legacies	261,144	-	261,144	260,164

24 Income from charitable activities - Trading Activities

	Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Primary purpose and ancillary trading				
School fees	1,241,796	-	1,241,796	1,281,679
Sundry income	76,061	-	76,061	72,254
Total Primary purpose and ancillary trading	1,317,857	-	1,317,857	1,353,933

25 Total Income from charitable activities

	Current year Unrestricted Funds £ 2019	Current year Restricted Funds £ 2019	Current year Total Funds £ 2019	Prior Year Total Funds £ 2018
Total income from charitable trading	1,317,857	-	1,317,857	1,353,933
Total from charitable activities	1,317,857	-	1,317,857	1,353,933

AL BADR ISLAMIC TRUST

Detailed analysis of income and expenditure for the year ended 31 December 2019 as required by the SORP 2019

26 Investment income

	Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Property Rental Income	64,984	-	64,984	27,274
Total investment income	64,984	-	64,984	27,274

27 Expenditure on charitable activities - Direct spending

	Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Gross wages and salaries - charitable activities	391,479	-	391,479	352,864
Defined contribution pension costs - charitable activities	998	-	998	-
School expenditure	49,637	-	49,637	65,867
Catering and food	125,821	-	125,821	111,313
Total direct spending	567,935	-	567,935	530,044

AL BADR ISLAMIC TRUST

Detailed analysis of income and expenditure for the year ended 31 December 2019 as required by the SORP 2019

28 Support costs for charitable activities

	Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
<i>Employee costs not included in direct costs</i>				
Payroll fees and charges	1,211	-	1,211	1,240
<i>Premises Expenses</i>				
Rates and water charges	122,516	-	122,516	207,419
Light heat and power	208,422	-	208,422	154,888
Cleaning and waste management	25,790	-	25,790	21,204
Premises repairs, renewals and maintenance	341,311	-	341,311	341,902
<i>Administrative overheads</i>				
Telephone, fax and internet	10,610	-	10,610	7,773
Stationery and printing	6,350	-	6,350	5,762
Motor expenses	9,586	-	9,586	8,000
School fees waived	37,783	-	37,783	27,204
Equipment expenses	1,500	-	1,500	9,876
Hire of equipment	935	-	935	1,943
Website maintenance	12,242	-	12,242	12,950
Liability and contents insurance	3,124	-	3,124	3,069
Sundry expenses	2,519	-	2,519	1,910
Loss on disposal	-	-	-	1,514
<i>Professional fees paid to advisors other than the auditor or examiner</i>				
Accountancy fees other than examination or audit fees	2,900	-	2,900	2,750
Other legal and professional	16,769	-	16,769	3,205
<i>Financial costs</i>				
Bank charges	378	-	378	102
Depreciation & Amortisation in total for the period	174,057	-	174,057	170,151
Total support costs	978,003	-	978,003	982,862

The basis of allocation of costs between activities is described under accounting policies

AL BADR ISLAMIC TRUST

Detailed analysis of income and expenditure for the year ended 31 December 2019 as required by the SORP 2019

29 Other Expenditure - Governance costs

	Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Auditor's fees	1,200	-	1,200	1,200
Ofstead fees	3,517	-	3,517	6,504
Total Governance costs	4,717	-	4,717	7,704

30 Total Charitable expenditure

	Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Total direct spending	567,935	-	567,935	530,044
Total support costs	978,003	-	978,003	982,862
Total Governance costs	4,717	-	4,717	7,704
Total charitable expenditure	1,550,655	-	1,550,655	1,520,610