
AZHAR ACADEMY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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AZHAR ACADEMY

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Trustees and officers	Mr Ismail Gangat Mr Faisal Bobat Mr Ismail Amla
Charity registered number	1080849
Principal office	235a Romford Road London E7 9HL
Independent auditors	AGP Consulting Chartered Accountants and Statutory Auditor Unit 8 Quebec Wharf 14 Thomas Road London E14 7AF
Bankers	Al Rayan Bank Plc 97 - 99 Whitechapel Road London E1 1DT Natwest Bank Plc PO Box 2027 Parklands De Havilland Way Horwich Bolton BL6 4YU

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The trustees present their annual report together with the audited financial statements for the year ended 31 August 2017.

Structure, governance and management

a. Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

b. Risk management

The trustees acknowledge their responsibility to manage the risks faced by the charity. They have identified and given due consideration to the risks to which the charity may be exposed and are satisfied that systems are in place to mitigate exposure to those risks. The principal risks being a significantly reduced student intake which would directly impact on fee income, the school buildings becoming uninhabitable (e.g. due to damage) and fraud and error. These risks are managed through a concerted programme of media advertising to attract students to the schools. Regular independent fire and risk assessments are carried out of the premises and a disaster recovery plan is in place in the event the buildings are unavailable so that tuition can continue elsewhere. Appropriate financial controls and reporting systems are in place to provide reasonable assurance against fraud and error.

c. Objectives and aims

The charity's objects are advancement of education and furtherance of the religion of Islam and of Islamic Education. Azhar Academy runs nursery, primary and secondary schools in the London Borough of Waltham Forest and Newham. The main objective for the year was the continued operation of the secondary schools and investment in education.

The school is well established and are consistently rated high in the Borough and in London. The school provides education of the highest standard and nurture students who are responsible individuals and citizens. The charity's activities are dedicated to students' academic, spiritual, moral, social, and cultural development, and the charity considers the success of these activities to be for the public benefit. The trustees have given due consideration to the charity commission published guidance on the public benefit requirement under Charities Act 2011.

Achievement and performance

Charitable activities

The trustees are pleased with the expansion of the school and the continuing success of providing secondary education to girls.

Overall, the trustees believe that they have met their objectives for the year.

Financial review

At the balance sheet date, the charity had net assets of £2,402,607 (2016: £2,263,346). The trustees consider the financial performance of the charity during the year to be satisfactory. The objective is for the charity and its school operations to be self-sufficient.

AZHAR ACADEMY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Reserves policy

The main objective of the reserves policy is to ensure that the Trust is able to meet its short-term operational costs in an event where income drops to an unsustainable low. The actual free reserves in current assets at the end of the year were 104k. The Board of Trustees considers the reserve policy to be adequate, as the giving tradition is strong in such a faith-based organisation.

Trustees' responsibilities statement

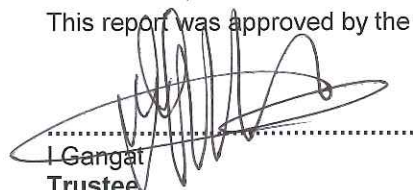
The trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the 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. The trustees are also responsible for the maintenance and integrity of corporate and financial information on the charity website.

This report was approved by the trustees, on 27 June 2018 and signed on their behalf by:



.....
I Gangat
Trustee

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF AZHAR ACADEMY

Opinion

We have audited the financial statements of Azhar Academy (the 'charity') for the year ended 31 August 2017 set out on pages 7 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 August 2017 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 United Kingdom, including the Financial Reporting Council'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.

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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF AZHAR ACADEMY

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 Trustees' report 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 Trustees' responsibilities statement, the trustees are responsible for the preparation of 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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF AZHAR ACADEMY

Auditors' responsibilities for the audit of the financial statements

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 an Auditors' 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 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 Auditors' report.



Forhad Ahmed (Senior statutory auditor)

for and on behalf of

AGP Consulting

Chartered Accountants and Statutory Auditor

Unit 8 Quebec Wharf
14 Thomas Road
London
E14 7AF
27 June 2018

AZHAR ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:				
Donations and legacies	2	224,709	224,709	1,049,318
Charitable activities	3	1,122,432	1,122,432	924,661
Total income		<u>1,347,141</u>	<u>1,347,141</u>	<u>1,973,979</u>
Expenditure on:				
Charitable activities	6	1,207,880	1,207,880	1,095,435
Total expenditure	7	<u>1,207,880</u>	<u>1,207,880</u>	<u>1,095,435</u>
Net income before other recognised gains and losses		139,261	139,261	878,544
Net movement in funds		139,261	139,261	878,544
Reconciliation of funds:				
Total funds brought forward		2,263,346	2,263,346	1,384,802
Total funds carried forward		<u><u>2,402,607</u></u>	<u><u>2,402,607</u></u>	<u><u>2,263,346</u></u>

The notes on pages 10 to 19 form part of these financial statements.

AZHAR ACADEMY

BALANCE SHEET AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	11		2,562,988		2,550,819
Current assets					
Cash at bank and in hand		457,407		384,594	
Creditors: amounts falling due within one year	13	(104,488)		(122,267)	
Net current assets			352,919		262,327
Total assets less current liabilities			2,915,907		2,813,146
Creditors: amounts falling due after more than one year	14		(513,300)		(549,800)
Net assets			2,402,607		2,263,346
Charity Funds					
Unrestricted funds	15		2,402,607		2,263,346
Total funds			2,402,607		2,263,346

The financial statements were approved by the trustees on 27 June 2018 and signed on their behalf, by:

.....
I Gangat- Trustee

The notes on pages 10 to 19 form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>187,517</u>	<u>271,623</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(114,703)</u>	<u>(107,560)</u>
Net cash used in investing activities		<u>(114,703)</u>	<u>(107,560)</u>
Change in cash and cash equivalents in the year		72,814	164,063
Cash and cash equivalents brought forward		<u>384,593</u>	<u>220,530</u>
Cash and cash equivalents carried forward	18	<u><u>457,407</u></u>	<u><u>384,593</u></u>

The notes on pages 10 to 19 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015) 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 and the Charities Act 2011.

The principal accounting policies are set out below.

The charity meets the definition of a public benefit entity under FRS 102.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

1.3 Income

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

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general time of volunteers is not recognised due to their contributions are not considered to be significant.

From time to time the Charity receives interest free loans ("Qard Hasanah") which do not always have a set repayment. If these loans are waived, this is recognised as income in the period in which it is waived.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

1.5 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Improvements to property	-	15% on reducing balance
Fixtures and fittings	-	20% on reducing balance

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the charity. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. Accounting policies (continued)

1.8 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.

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2. Income from donations and legacies

	Unrestricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Donations	224,709	224,709	328,022
Qard Hasanah waived	-	-	721,296
	<hr/>	<hr/>	<hr/>
Total donations and legacies	224,709	224,709	1,049,318
	<hr/>	<hr/>	<hr/>
<i>Total 2016</i>	<i>1,049,318</i>	<i>1,049,318</i>	
	<hr/>	<hr/>	

During the prior year, as a one off all past Qard Hasanah which had been waived were recognised as income.

AZHAR ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

3. Income from charitable activities

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
School fees	855,659	855,659	714,656
Other school receipts	266,773	266,773	210,005
	<u>1,122,432</u>	<u>1,122,432</u>	<u>924,661</u>
<i>Total 2016</i>	<u>924,661</u>	<u>924,661</u>	

4. Direct costs

	Charitable activities £	Total 2017 £	Total 2016 £
Educational resources	107,195	107,195	78,672
Light and heat	35,285	35,285	37,263
Telephone	13,731	13,731	7,170
Sundries	26,349	26,349	2,832
Insurance	19,885	19,885	17,654
Legal and professional	698	698	4,316
Repairs and maintenance	41,180	41,180	28,939
Household and cleaning	1,062	1,062	1,806
Staff training	3,664	3,664	6,445
Rates and water	22,819	22,819	25,858
Donations	518	518	216
Improvements to property	100,806	100,806	98,354
Fixtures and fittings	1,728	1,728	2,160
Wages and salaries	772,274	772,274	700,375
	<u>1,147,194</u>	<u>1,147,194</u>	<u>1,012,060</u>
<i>Total 2016</i>	<u>1,012,060</u>	<u>1,012,060</u>	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. Support costs

	Charitable activities £	Total 2017 £	Total 2016 £
Office costs	57,058	57,058	79,680
Bank interest and charges	28	28	95
	<u>57,086</u>	<u>57,086</u>	<u>79,775</u>
<i>Total 2016</i>	<u>79,775</u>	<u>79,775</u>	

6. Governance costs

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Auditors remuneration	3,600	3,600	3,600

7. Analysis of Expenditure by expenditure type

	Staff costs 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Charitable activities	772,274	432,006	1,204,280	1,049,922
Support costs	-	-	-	41,913
Charitable activities	<u>772,274</u>	<u>432,006</u>	<u>1,204,280</u>	<u>1,091,835</u>
Expenditure on governance	<u>-</u>	<u>3,600</u>	<u>3,600</u>	<u>3,600</u>
	<u>772,274</u>	<u>435,606</u>	<u>1,207,880</u>	<u>1,095,435</u>
<i>Total 2016</i>	<u>700,375</u>	<u>395,060</u>	<u>1,095,435</u>	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

8. Net expenditure

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	102,534	100,514
Auditors' remuneration - audit	3,600	3,600
	<u><u> </u></u>	<u><u> </u></u>

9. Auditors' remuneration

	2017 £	2016 £
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	3,600	3,600
	<u><u> </u></u>	<u><u> </u></u>

10. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	738,224	678,059
Social security costs	34,050	22,316
	<u><u>772,274</u></u>	<u><u>700,375</u></u>

The average number of persons employed by the charity during the year was as follows:

	2017 No.	2016 No.
Teaching	37	37
Assistants	19	23
Administration	8	3
	<u><u>64</u></u>	<u><u>63</u></u>

No employee received remuneration amounting to more than £60,000 in either year.

There were no trustees' remuneration, other benefits or expenses paid for the year ended 31 August 2017 nor for the year ended 31 August 2016.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

11. Tangible fixed assets

	Freehold property £	Improvements to property £	Fixtures and fittings £	Total £
Cost				
At 1 September 2016	1,984,837	1,487,165	77,276	3,549,278
Additions	-	114,703	-	114,703
At 31 August 2017	1,984,837	1,601,868	77,276	3,663,981
Depreciation				
At 1 September 2016	-	929,825	68,634	998,459
Charge for the year	-	100,806	1,728	102,534
At 31 August 2017	-	1,030,631	70,362	1,100,993
Net book value				
At 31 August 2017	1,984,837	571,237	6,914	2,562,988
At 31 August 2016	1,984,837	557,340	8,642	2,550,819

12. Debtors

2017	2016
£	£

13. Creditors: Amounts falling due within one year

	2017 £	2016 £
Other taxation and social security	970	18,748
Other creditors	74,608	74,609
Accruals and deferred income	28,910	28,910
	<u>104,488</u>	<u>122,267</u>

14. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other creditors	<u>513,300</u>	<u>549,800</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

14. Creditors: Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows:

	2017 £	2016 £
Repayable other than by instalments	513,300	549,800

The amounts owing under creditors represents interest free loans, ("Qard Hasanah"), given by the members of the public. Although agreements are made when these loans will be paid back to the lenders, it is an informal agreement. This means that if the charity does not have the funds to pay back any amounts due then usually it is paid at a later date when funds are available. Due to this the trustees consider that, in order to give a better understanding, this balance should be disclosed under this heading.

15. Statement of funds

Statement of funds - current year

	Balance at 1 September 2016 £	Income £	Expenditure £	Balance at 31 August 2017 £
Unrestricted funds				
General Funds - all funds	2,263,346	1,347,141	(1,207,880)	2,402,607

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Balance at 31 August 2016 £
General Funds - all funds	1,384,802	1,973,979	(1,095,435)	2,263,346
Total of funds	1,384,802	1,973,979	(1,095,435)	2,263,346

Summary of funds - current year

General funds	2,263,346	1,347,141	(1,207,880)	2,402,607
	2,263,346	1,347,141	(1,207,880)	2,402,607

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. Statement of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 September 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 August 2016 £</i>
General Funds - all funds	1,384,802	1,973,979	(1,095,435)	2,263,346

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	2,562,988	2,562,988
Current assets	457,408	457,408
Creditors due within one year	(104,489)	(104,489)
Creditors due in more than one year	(513,300)	(513,300)
	<u>2,402,607</u>	<u>2,402,607</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2016 £</i>	<i>Total funds 2016 £</i>
Tangible fixed assets	2,550,819	2,550,819
Current assets	384,594	384,594
Creditors due within one year	(122,267)	(122,267)
Creditors due in more than one year	(549,800)	(549,800)
	<u>2,263,346</u>	<u>2,263,346</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	139,261	878,544
Adjustment for:		
Depreciation charges	102,534	100,511
Decrease in creditors	(54,278)	(707,432)
Net cash provided by operating activities	187,517	271,623

18. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	457,407	384,593
Total	457,407	384,593

19. Related party transactions

During the year there were no transactions between the trustees or any balances held at the year end (2016: £nil).

AZHAR ACADEMY

**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	2017 £	2016 £
INCOMING RESOURCES		
Donations	224,709	328,022
School fees	855,659	714,656
Other school receipts	266,773	210,005
Qard Hasanah waived	-	721,296
	<hr/>	<hr/>
Total incoming resources	<hr/> 1,347,141 <hr/>	<hr/> 1,973,979 <hr/>
Less: Charity expenditure		
Wages	738,224	678,059
Educational resources	107,195	78,672
Light and heat	35,285	37,263
Telephone	13,731	7,170
Sundries	26,349	2,832
Insurance	19,885	17,654
Legal and professional	698	4,316
Repairs and maintenance	41,180	28,939
Staff training	3,664	6,445
Rates and water	22,819	25,858
Donations	518	216
Cleaning	1,061	1,806
Office costs	57,058	79,680
Bank interest and charges	28	95
Auditors' remuneration	3,600	3,600
Depreciation- Improvements to property	100,806	98,354
Depreciation- Fixtures and fittings	1,728	2,160
	<hr/>	<hr/>
Total Charity expenditure	<hr/> 1,173,829 <hr/>	<hr/> 1,073,119 <hr/>
Net expenditure from charitable sources	<hr/> (1,173,829) <hr/>	<hr/> (1,073,119) <hr/>
Net income for the year	<hr/> 173,312 <hr/>	<hr/> 900,860 <hr/>