



Trustees' Annual Report for the period

From	Period start date			To	Period end date		
	Day	Month	Year		Day	Month	Year
	01	MAY	2017		30	APRIL	2018

Section A Reference and administration details

Charity name

Al Arqam

Other names charity is known by

Registered charity number (if any) 1133157

Charity's principal address

10 Memorial Road

LUTON

BEDFORDSHIRE

Postcode

LU3 2QU

Names of the charity trustees who manage the charity

	Trustee name	Office (if any)	Dates acted if not for whole year	Name of person (or body) entitled to appoint trustee (if any)
1	MR QAISER MALIK	CHAIR		
2	MR MONIRUL ASAD HUDA			
3	MR SAQIB AFGHAN			
4	MR USMAN SHAFI			
5	MR ABDUL GHAFOR			
6	MR TALLAT MEHMOOD			
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

Names of the trustees for the charity, if any, (for example, any custodian trustees)

Name	Dates acted if not for whole year
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Names and addresses of advisers (Optional information)

Type of adviser	Name	Address

Name of chief executive or names of senior staff members (Optional information)

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Section B Structure, governance and management

Description of the charity's trusts

Type of governing document (eg. trust deed, constitution)	CONSTITUTION
How the charity is constituted (eg. trust, association, company)	Unincorporated association
Trustee selection methods (eg. appointed by, elected by)	Election

Additional governance issues (Optional information)

You **may choose** to include additional information, where relevant, about:

- policies and procedures adopted for the induction and training of trustees;
- the charity's organisational structure and any wider network with which the charity works;
- relationship with any related parties;
- trustees' consideration of major risks and the system and procedures to manage them.

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Section C Objectives and activities

Summary of the objects of the charity set out in its governing document

The objectives of the charity set out in the charity's trust deed are to further such charitable purposes for the benefit of the community in and around Luton or such other places as are determined from time to time as the Executive Committee sees fit in particular but not exclusively by:

- Relieving those in financial need, hardship or distress;
- Advancing education in particular through training and providing educational programmes;
- Establishing and maintaining a youth and community centre; and
- Providing or assisting in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.

Summary of the main activities undertaken for the public benefit in relation to these objects (include within this section the statutory declaration that trustees have had regard to the guidance issued by the Charity Commission on public benefit)

Our objectives are set to reflect our faith and community aims. Our trustees periodically review our objectives and activities to ensure they continue to reflect our aims. In carrying out this review the trustees have considered the Charity Commissions general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for the public benefit.

Our dual aims remain to provide a facility for education and recreational activities for the general public.

Additional details of objectives and activities (Optional information)

You **may choose** to include further statements, where relevant, about:

- policy on grantmaking;
- policy programme related investment;
- contribution made by volunteers.

Section D

Achievements and performance

Summary of the main achievements of the charity during the year

1. Maintaining and enhancing the facilities in response to user needs
2. Communications with parents and community stakeholders
3. The charity has engaged more than 1,000 young persons and adults this year from a range of backgrounds and ethnicities.
4. The administrative team have developed systems to manage school operations and communications effectively.
5. Delivery of weekly language classes and educational programmes.
6. Staff training on health and safety, safeguarding and user engagement continued throughout the year.

Section E

Financial review

Brief statement of the charity's policy on reserves

Our Reserves Policy relates to our General Funds only. No designated, restricted or endowment funds are held. We aim to hold reserves amounting to approximately six months' average expenditure.

Details of any funds materially in deficit

None

Further financial review details (Optional information)

You **may choose** to include additional information, where relevant about:

- the charity's principal sources of funds (including any fundraising);
- how expenditure has supported the key objectives of the charity;
- investment policy and objectives including any ethical investment policy adopted.

Section F

Other optional information

Section G

Declaration

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees

Signature(s)



Full name(s)

MR QAISER MALIK

Position (eg Secretary, Chair, etc)

CHAIR

Date

21 January 2019

Al Arqam

Trustees' report and financial statements
Charity Number 1133157
for the year ended 30 April 2018

Contents

Legal and administrative information	
Trustees' report and responsibilities	1
Independent examiners' report	2-5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8
	9-11

Legal and administrative

Charity number

1133157

Trustees

Kaiser Malik (Chairman)
Monirual Asad Huda
Saqib Afghan
Usman Shafi
Abdul Ghafoor
Tallat Mehmood

Registered office

10 Memorial Road
Luton
Bedfordshire
LU3 2QU

Accountants

IAB & Co
Suite 3G, Britannia House
Leagrave Road
Luton
Bedfordshire
LU3 1RJ

Principal bankers

Lloyds TSB
60 George Street
Luton
Bedfordshire
LU1 2AP

Trustees' report

For the year ended 30 April 2018

The Trustees present their annual report together with the financial statements for the year ended 30 April 2018. The Annual Report is to be read in conjunction with the Charity's Research Review, which can be obtained from the Chairman.

Structure, governance and management

Trustees and officers

The Trustees, who served throughout the year except where indicated, were as follows:

Trustees

Qaiser Malik (Chairman)
Monirul Asad Huda
Saqib Afghan
Usman Shafi
Abdul Ghafoor
Tallat Mehmood

Constitution

Al Arqam is a charity which is an unincorporated association regulated by constitution. The charity registered number is 1133157.

Organisational structure

The charity trustees are responsible for general control and management of the charity.

The trustees meet together as a body quarterly and are responsible for all decisions taken in relation to running Al Arqam and the community services provided by the charity. To assist in the smooth running of the charity, the trustees have set up a number of sub-committees to help them oversee certain aspects of the charity's work. The sub-committee reports their recommendations to the full meeting of the trustees. The day-to-day management of Al Arqam is delegated to the staff members.

Recruitment and appointment of trustees

The existing trustees are responsible for the recruitment of new trustees but in doing so the trustees seek the views and recommendations of community leaders. The trustees believe this approach ensures that new trustees are respected members of the local community and ensure that good relations are fostered between Al Arqam and the people of the local community that we serve.

In selecting new trustees, we seek to identify people who regularly attend events and functions organised by the charity and are willing to volunteer to help in our broader community work. Potential trustees are invited to attend trustees' meetings as observers and are given more details of the charity's aims and activities and, if all agree, they are then proposed as new trustees at the subsequent trustees' meeting. This process allows due consideration of the persons' eligibility, personal competence, specialist knowledge and skills.

Induction and training of trustees

Following the appointment new trustees, they are introduced to their new role and given copies of the trust deed and a guide to the policies and procedures adopted by the charity. A number of publications from the charity commission are also provided including the guidance on charities and public benefit and on the advancement of religion for the public benefit. This ensures that new trustees are aware of the scope of their responsibilities under the Charities Act.

Risk management

The trustees have assessed the risks the charity faces and have drawn up a risk matrix, which identifies the major risks by area of activity, the nature of those risks, the likelihood of the risks happening and the measures

Trustees' report *(continued)*

taken to manage them. The trustees review this risk matrix periodically and are satisfied that systems are in place, or arrangements are in hand, to manage the identified risks. In particular, insurance cover is in place and the finances of Al Arqam are kept under review. Appropriate CRB checks, supported by regularly reviewed policies, are made for all those who work with children or other vulnerable groups.

The risk management strategy for Al Arqam comprises:

- An annual review of the key risks the charity may face;
- The establishment of systems and procedures to mitigate those risks identified within the risk register;
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

Employee consultation

The charity provides an avenue for provision of information, consultation and discussion of a wide range of matters affecting staff and volunteers.

Objectives and activities

The objectives of the charity set out in the charity's trust deed are to further such charitable purposes for the benefit of the community in and around Luton or such other places as are determined from time to time as the Executive Committee sees fit in particular but not exclusively by:

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Objectives

Our objectives are set to reflect our faith and community aims. Our trustees periodically review our objectives and activities to ensure they continue to reflect our aims. In carrying out this review the trustees have considered the Charity Commissions general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for the public benefit.

Our dual aims remain to provide a facility for education and recreational activities for the general public.

Achievements and performance

The charity carries out a wide range of activities in pursuance of its charitable aims including:

1. Maintaining and enhancing the facilities in response to user needs.
2. Communications with parents and community stakeholders.
3. The charity has engaged more than 1000 young persons and adults this year from a range of backgrounds and ethnicities.
4. The administrative team have developed systems to manage school operations and communications effectively.
5. Delivery of weekly language classes and educational programmes.
6. Staff training on health and safety, safeguarding and user engagement continued throughout the year.

Financial review

Reserves policy

Our Reserves Policy relates to our General Funds only. No designated, restricted or endowment funds are held. We aim to hold reserves amounting to approximately six months' average expenditure.

Principal funding sources

The charity's main source of income is through community donations and subscriptions for Al Arqam services. Given the economic conditions this is declining, and contingency plans are being drawn up for community fundraising activities to supplement this.

Plans for future periods

We also intend to start a new language comprehension programme for the community and maintain our existing range of community services and partnerships.

Statement of trustees' responsibilities

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

Company law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing 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 estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 providing services.

The trustees are responsible for keeping proper accounting records that 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 Charity (Accounts & Reports) Regulations 2008. 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 responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Qaiser Malik
Trustee & Chairman

Date: 21/01/2019

Independent examiners' report to the trustees on the unaudited financial statements to the members of Al Arqam.

I report on the financial statements of Al Arqam for the year ended 30 April 2018 as set out on page 2 to 11.

Respective responsibilities of trustees and independent examiner

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, the trustees are responsible for the preparation of the financial statements who consider that an audit is not required under section 144(2) of the Charities Act 2011 and that an independent examination is required. It is my responsibility as an independent examiner to examine the financial statements under section 145 of the 2011 Act, to follow the procedures in the General Directions given by Charity Commission under section 145(5)(b) of the 2011 Act, and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Basis of independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (i) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep proper accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act have not been met; or
- (ii) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Abbas Mohammed

For and on behalf of IAB & Co, Accountants
Suite 3G, Britannia House
Luton
Bedfordshire
LU3 1RJ

Date: 21/01/2019

**Balance sheet
as at 30 April 2018**

	Note	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	4		102,099		91,599
			<u>102,099</u>		<u>91,599</u>
Current assets					
Debtors					
Cash at bank and in hand	5	10,000		10,000	
		<u>21,829</u>		<u>50,386</u>	
Creditors: amounts falling due within one year		31,829		60,386	
		<u>-</u>		<u>-</u>	
Net current assets			<u>31,829</u>		<u>60,386</u>
Net assets			<u>133,928</u>		<u>151,985</u>
Accumulated funds					
Unrestricted income funds			133,928		151,985
Total funds			<u>133,928</u>		<u>151,985</u>

The financial statements were approved by the trustees on 21 January 2019 and signed on its behalf by;



Qaiser Malik
Chairman & Trustee

Notes (Forming part of the financial statements)

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1 Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP) and the Charities Act 2011.

1.2 Cash flow

The charity has taken the advantage of the exemption in FRS1 from the requirement to produce a cash flow statement because it is a small charity.

1.3 Going Concern

The Charity undertakes a detailed annual planning exercise, which is reviewed and agreed by trustees on an annual basis, where income, expenditure and cash flow are forecasted for the following 3 years, and this is assessed for major changes on a six-monthly basis. The trustees have reviewed the going concern status of the Charity and their assessment is that the Charity can continue as a going concern for the foreseeable future.

1.4 Incoming resources & outgoing expenditures

All income received is included with in the statement of financial activities which can be quantified with reasonable accuracy. The income is received by way of subscriptions, donations and fundraising activities and is included in full in the statement of financial activities when received.

The expenses are recognised on a cash basis as and when incurred. These include any vat which cannot be fully recovered, and reported as part of the expenses which they relate. The charitable expenditures comprise those costs incurred by the charity in delivering those services & activities for its beneficiaries. It includes costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support such activities.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life and as follows;

Land and buildings	-	No depreciation is charged on building
Motor Vehicles	-	25% reducing balance

The charity owns freehold building in partnership with the Mediterranean Estates Limited in which Al Arqam owns 40% since 2014.

1.6 Donations and subscriptions

Donations represent amounts received from general community members and volunteers and subscriptions represent amounts received from students for learning Quran and Islamic education during the year.

Statement of financial activities
for the year ended 30 April 2018

	Restricted funds £	Unrestricted funds £	2018 Total £	2017 Total £
Incoming resources				
Subscriptions from students	-	188,900	188,900	191,657
Donations received	-	1,151	1,151	1,691
Total incoming resources	<u>-</u>	<u>190,051</u>	<u>190,051</u>	<u>193,347</u>
Resources expended				
Charitable activities	-	22,360	22,360	35,928
Governance expenses	-	185,747	185,747	145,776
Total resources expended	<u>-</u>	<u>208,107</u>	<u>208,107</u>	<u>181,704</u>
Net incoming/(outgoing) resources for the year	-	(18,056)	(18,056)	11,643
Prior year adjustments	-	-	-	-
Total funds brought forward	-	94,347	94,347	82,704
Total funds carried forward	<u>-</u>	<u>76,291</u>	<u>76,291</u>	<u>94,347</u>

All activities derive from continuing operations.

The notes on page 7 to 11 form an integral part of these financial statements.

Notes (Forming part of the financial statements)

2- Donations and subscriptions

In and around Luton area

	2018 £	2017 £
Subscriptions from students	188,900	191,657
Donations received	1,151	1,691
	<u>190,051</u>	<u>193,348</u>

3- Staff numbers and costs

Staff	2018	2017
	<u>20</u>	<u>20</u>

The aggregate payroll costs of these persons were as follows:

	2018 £	2017 £
Wages and salaries	138,756	119,437
Social security costs	1,746	2,978
Other pension costs	456	-
	<u>140,958</u>	<u>122,415</u>

4- Tangible fixed assets

Cost or valuation
as at 1 May 2017
Additions during the year
Disposal during the year
as at 30 April 2018

Depreciation
as at 1 May 2017
Charge for the year
Disposal during the year
as at 30 April 2018

Net book values
as at 30 April 2018

as at 30 April 2017

Land and buildings freehold £	Motor vehicles £	Total £
91,599	14,000	105,599
-	-	-
<u>91,599</u>	<u>14,000</u>	<u>105,599</u>
-	-	-
-	3,500	3,500
-	-	-
<u>-</u>	<u>3,500</u>	<u>3,500</u>
91,599	10,500	102,099
<u>91,599</u>	<u>-</u>	<u>91,599</u>

The charity owns freehold building in partnership with the Mediterranean Estates Limited in which Al Arqam owns 40% since 2014.

Notes (Forming part of the financial statements)

5- Debtors

	2018 £	2017 £
Related party debtors	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

6- Related party transactions

	2018 £	2,017 £
Amount due from related party at the balance sheet date	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

During the year ended 30 April 2017 Al Arqam paid £10,000 loan to a 3rd party on behalf of Mediterranean Estates Limited who is the related party of the charity. Al Arqam owns 40% building purchased by Mediterranean Estates Limited in 2014. The loan will be paid back during 2019.

**Detailed statement of financial activities
for the year ended 30 April 2018**

	2,018	2,017
	£	£
Subscriptions	188,900	191,657
Donations	1,151	1,691
	<u>190,051</u>	<u>193,347</u>
<u>Operating expenses</u>		
Wages and salaries	140,502	122,415
Rent, rates and insurance	27,508	10,283
Repairs and maintenance	1,566	3,444
Motor and travel	2,957	848
Staff subsistence	1,525	2,104
Postage and stationery	1,758	1,507
Utility charges	4,495	4,069
Accounting charges	1,500	800
Bank charges	74	85
Charitable donations	22,360	35,928
Depreciation charges	3,500	-
Sundry expenses	362	222
	<u>208,107</u>	<u>181,704</u>
Total expenses		
	<u><u>(18,057)</u></u>	<u><u>11,643</u></u>
Loss for the period		

This page does not form part of the financial statements.

Al Arqam

Trustees' report and financial statements
Charity Number 1133157
for the year ended 30 April 2018

Contents

Legal and administrative information	
Trustees' report and responsibilities	1
Independent examiners' report	2-5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8
	9-11

Legal and administrative

Charity number

1133157

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Tallat Mehmood

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Trustees' report

For the year ended 30 April 2018

The Trustees present their annual report together with the financial statements for the year ended 30 April 2018. The Annual Report is to be read in conjunction with the Charity's Research Review, which can be obtained from the Chairman.

Structure, governance and management

Trustees and officers

The Trustees, who served throughout the year except where indicated, were as follows:

Trustees

Qaiser Malik (Chairman)
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Tallat Mehmood

Constitution

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Organisational structure

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Risk management

The trustees have assessed the risks the charity faces and have drawn up a risk matrix, which identifies the major risks by area of activity, the nature of those risks, the likelihood of the risks happening and the measures

Trustees' report (*continued*)

taken to manage them. The trustees review this risk matrix periodically and are satisfied that systems are in place, or arrangements are in hand, to manage the identified risks. In particular, insurance cover is in place and the finances of Al Arqam are kept under review. Appropriate CRB checks, supported by regularly reviewed policies, are made for all those who work with children or other vulnerable groups.

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- An annual review of the key risks the charity may face;
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Our dual aims remain to provide a facility for education and recreational activities for the general public.

Achievements and performance

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1. Maintaining and enhancing the facilities in response to user needs.
2. Communications with parents and community stakeholders.
3. The charity has engaged more than 1000 young persons and adults this year from a range of backgrounds and ethnicities.
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Financial review

Reserves policy

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Statement of trustees' responsibilities

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Qaiser Malik
Trustee & Chairman

Date: 21/01/2019

Independent examiners' report to the trustees on the unaudited financial statements to the members of Al Arqam.

I report on the financial statements of Al Arqam for the year ended 30 April 2018 as set out on page 2 to 11.

Respective responsibilities of trustees and independent examiner

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, the trustees are responsible for the preparation of the financial statements who consider that an audit is not required under section 144(2) of the Charities Act 2011 and that an independent examination is required. It is my responsibility as an independent examiner to examine the financial statements under section 145 of the 2011 Act, to follow the procedures in the General Directions given by Charity Commission under section 145(5)(b) of the 2011 Act, and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Basis of independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (i) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep proper accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act have not been met; or
- (ii) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Abbas Mohammed

For and on behalf of IAB & Co, Accountants
Suite 3G, Britannia House
Luton
Bedfordshire
LU3 1RJ

Date: 21/01/2019

**Balance sheet
as at 30 April 2018**

	Note	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	4		102,099		91,599
			<u>102,099</u>		<u>91,599</u>
Current assets					
Debtors					
Cash at bank and in hand	5	10,000		10,000	
		<u>21,829</u>		<u>50,386</u>	
Creditors: amounts falling due within one year		31,829		60,386	
		<u>-</u>		<u>-</u>	
Net current assets			<u>31,829</u>		<u>60,386</u>
Net assets			<u>133,928</u>		<u>151,985</u>
Accumulated funds					
Unrestricted income funds			133,928		151,985
Total funds			<u>133,928</u>		<u>151,985</u>

The financial statements were approved by the trustees on 21 January 2019 and signed on its behalf by;



Qaiser Malik
Chairman & Trustee

Notes (Forming part of the financial statements)

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1 Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP) and the Charities Act 2011.

1.2 Cash flow

The charity has taken the advantage of the exemption in FRS1 from the requirement to produce a cash flow statement because it is a small charity.

1.3 Going Concern

The Charity undertakes a detailed annual planning exercise, which is reviewed and agreed by trustees on an annual basis, where income, expenditure and cash flow are forecasted for the following 3 years, and this is assessed for major changes on a six-monthly basis. The trustees have reviewed the going concern status of the Charity and their assessment is that the Charity can continue as a going concern for the foreseeable future.

1.4 Incoming resources & outgoing expenditures

All income received is included with in the statement of financial activities which can be quantified with reasonable accuracy. The income is received by way of subscriptions, donations and fundraising activities and is included in full in the statement of financial activities when received.

The expenses are recognised on a cash basis as and when incurred. These include any vat which cannot be fully recovered, and reported as part of the expenses which they relate. The charitable expenditures comprise those costs incurred by the charity in delivering those services & activities for its beneficiaries. It includes costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support such activities.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life and as follows;

Land and buildings	-	No depreciation is charged on building
Motor Vehicles	-	25% reducing balance

The charity owns freehold building in partnership with the Mediterranean Estates Limited in which Al Arqam owns 40% since 2014.

1.6 Donations and subscriptions

Donations represent amounts received from general community members and volunteers and subscriptions represent amounts received from students for learning Quran and Islamic education during the year.

Statement of financial activities
for the year ended 30 April 2018

	Restricted funds £	Unrestricted funds £	2018 Total £	2017 Total £
Incoming resources				
Subscriptions from students	-	188,900	188,900	191,657
Donations received	-	1,151	1,151	1,691
Total incoming resources	<u>-</u>	<u>190,051</u>	<u>190,051</u>	<u>193,347</u>
Resources expended				
Charitable activities	-	22,360	22,360	35,928
Governance expenses	-	185,747	185,747	145,776
Total resources expended	<u>-</u>	<u>208,107</u>	<u>208,107</u>	<u>181,704</u>
Net incoming/(outgoing) resources for the year	-	(18,056)	(18,056)	11,643
Prior year adjustments	-	-	-	-
Total funds brought forward	-	94,347	94,347	82,704
Total funds carried forward	<u>-</u>	<u>76,291</u>	<u>76,291</u>	<u>94,347</u>

All activities derive from continuing operations.

The notes on page 7 to 11 form an integral part of these financial statements.

Notes (Forming part of the financial statements)

2- Donations and subscriptions

In and around Luton area

	2018 £	2017 £
Subscriptions from students	188,900	191,657
Donations received	1,151	1,691
	<u>190,051</u>	<u>193,348</u>

3- Staff numbers and costs

Staff	2018	2017
	<u>20</u>	<u>20</u>

The aggregate payroll costs of these persons were as follows:

	2018 £	2017 £
Wages and salaries	138,756	119,437
Social security costs	1,746	2,978
Other pension costs	456	-
	<u>140,958</u>	<u>122,415</u>

4- Tangible fixed assets

Cost or valuation
as at 1 May 2017
Additions during the year
Disposal during the year
as at 30 April 2018

Depreciation
as at 1 May 2017
Charge for the year
Disposal during the year
as at 30 April 2018

Net book values
as at 30 April 2018

as at 30 April 2017

Land and buildings freehold £	Motor vehicles £	Total £
91,599	14,000	105,599
-	-	-
<u>91,599</u>	<u>14,000</u>	<u>105,599</u>
-	-	-
-	3,500	3,500
-	-	-
<u>-</u>	<u>3,500</u>	<u>3,500</u>
91,599	10,500	102,099
<u>91,599</u>	<u>-</u>	<u>91,599</u>

The charity owns freehold building in partnership with the Mediterranean Estates Limited in which Al Arqam owns 40% since 2014.

Notes (Forming part of the financial statements)

5- Debtors

	2018 £	2017 £
Related party debtors	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

6- Related party transactions

	2018 £	2,017 £
Amount due from related party at the balance sheet date	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

During the year ended 30 April 2017 Al Arqam paid £10,000 loan to a 3rd party on behalf of Mediterranean Estates Limited who is the related party of the charity. Al Arqam owns 40% building purchased by Mediterranean Estates Limited in 2014. The loan will be paid back during 2019.

**Detailed statement of financial activities
for the year ended 30 April 2018**

	2,018	2,017
	£	£
Subscriptions	188,900	191,657
Donations	1,151	1,691
	<u>190,051</u>	<u>193,347</u>
<u>Operating expenses</u>		
Wages and salaries	140,502	122,415
Rent, rates and insurance	27,508	10,283
Repairs and maintenance	1,566	3,444
Motor and travel	2,957	848
Staff subsistence	1,525	2,104
Postage and stationery	1,758	1,507
Utility charges	4,495	4,069
Accounting charges	1,500	800
Bank charges	74	85
Charitable donations	22,360	35,928
Depreciation charges	3,500	-
Sundry expenses	362	222
	<u>208,107</u>	<u>181,704</u>
Total expenses		
	<u><u>(18,057)</u></u>	<u><u>11,643</u></u>
Loss for the period		

This page does not form part of the financial statements.