

Charity Registration No. 1080849

AZHAR ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

AZHAR ACADEMY

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AZHAR ACADEMY

TRUSTEES REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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.

Structure, governance and management

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

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr I Gangat

Mr F Bobat

Mr I Amla

No preference dividends were paid. The directors do not recommend payment of a final dividend.

The trustees report was approved by the Board of Trustees.



Mr I Gangat

Trustee

Dated: 25 June 2019

AZHAR ACADEMY

INDEPENDENT AUDITOR'S 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 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 2018 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 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

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 auditor's 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.

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.

AZHAR ACADEMY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF AZHAR ACADEMY

Use of our report

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



AGP Consulting

**Chartered Accountants
Statutory Auditor**

25 June 2019

Q West
Suite 3.17A
Great West Road
Brentford
TW8 0GP

AGP Consulting is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

AZHAR ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	9		2,625,255		2,562,988
Current assets					
Cash at bank and in hand		416,422		457,407	
Creditors: amounts falling due within one year	11	(137,797)		(104,488)	
Net current assets			278,625		352,919
Total assets less current liabilities			2,903,880		2,915,907
Creditors: amounts falling due after more than one year	12	(502,300)		(513,300)	
Net assets			2,401,580		2,402,607
Income funds					
Restricted funds			(3,600)		(3,600)
Unrestricted funds			2,405,180		2,406,207
			2,401,580		2,402,607

The financial statements were approved by the Trustees on 25 June 2019


Mr I Gangat
Trustee

AZHAR ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Charity information

Azhar Academy is a public benefit entity, it is an unincorporated charity and is a registered charity registered with the Charity Commission for England and Wales. The charity currently has three Trustees. The principle location of the Charity is 235a Romford Road, London E7 9HL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Total
	2018 £	2017 £
Donations and gifts	190,961	224,709

4 Charitable activities

	Charitable Income 2018 £	Charitable Income 2017 £
Sales within charitable activities	1,032,518	855,659
Other income	86,621	266,773
	<u>1,119,139</u>	<u>1,122,432</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

6 Support costs	Support costs	Governance costs	2018	2017
	£	£	£	£
Audit fees	-	3,600	3,600	3,600
	-	3,600	3,600	3,600
Analysed between Charitable activities	-	3,600	3,600	3,600

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
Teachers	39	37
Assistants	22	19
Administration	8	8
	69	64

Employment costs

	2018 £	2017 £
Wages and salaries	842,952	738,224
Social security costs	38,908	34,050
Other pension costs	2,618	-
	884,478	772,274

There were no employees whose annual remuneration was £60,000 or more.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

13 Analysis of net assets between funds

	2018	2018	Total	Total
	£	£	2018	2017
			£	£
Fund balances at 31 August 2018 are represented by:				
Tangible assets	2,625,255	-	2,625,255	2,562,988
Current assets/(liabilities)	278,625	-	278,625	352,919
Long term liabilities	(502,300)	-	(502,300)	(513,300)
	<u>2,401,580</u>	<u>-</u>	<u>2,401,580</u>	<u>2,402,607</u>

14 Related party transactions

There were no disclosable related party transactions during the year (2017 - none).

15 Cash generated from operations

	2018	2017
	£	£
(Deficit)/surplus for the year	(1,027)	139,260
Adjustments for:		
Depreciation and impairment of tangible fixed assets	113,887	102,534
Movements in working capital:		
Increase/(decrease) in creditors	22,309	(54,278)
Cash generated from operations	<u>135,169</u>	<u>187,516</u>