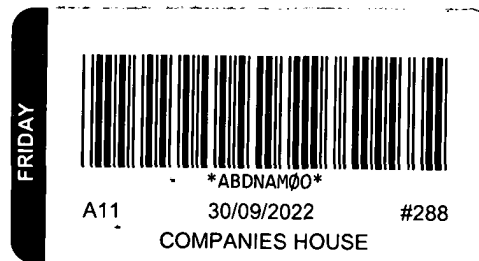


Registered Charity Number
1106630

Registered Company Number
5117582

Al Kawthar Academy & Subsidiary Undertaking

Annual Report and
Financial Statements
31 December 2021



**Al Kawthar Academy & Subsidiary Undertaking
Annual Report and Financial Statements
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Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2020

Introduction

The trustees present their annual report and accounts for the year ended 31st December 2021.

The board of trustees are satisfied with the performance of the charity during the year and the position at 31st December 2021 and consider that the charity is in a strong position to continue its activities during the coming year, and that the charity's assets are adequate to fulfill its obligations.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102).

Name, registered office and constitution of the charity

The full name of the charity is Al Kawthar Academy

The legal registration details are :-

<i>Date of incorporation</i>	04/05/2004
<i>Company Registration Number</i>	5117582
<i>The Registered Office is</i>	62 Gough Road Leicester LE5 4AN
<i>Charity Registration Number</i>	1106630
<i>The telephone number is</i>	0116 2461011

Purpose, Impact and Activities of the Charity

Public benefit that is provided by the charity

Al Kawthar Academy promotes positively the pristine message of Islam to the English-speaking public and to educate Muslims and non-Muslims on various aspects of Islam. Thereby, the provision of such public services not only equips beneficiaries to benefit themselves, but also members of the wider community where they live, promoting harmony and understanding in our multi-faith and cultural society in the United Kingdom.

Aims

Charity Objects: To pursue charitable activities for the benefit of the Muslim Community.

We endeavor to become a reliable reference and a valuable resource of authentic Islamic knowledge in the English language to facilitate Muslims and Non-Muslims alike understand the religion of Islam.

Al Kawthar Academy aims to help:

Preserve and promote the pure message and sublime values of Islam.

Faithfully convey the educational and spiritual legacy of the classical scholars to the Muslims of today.

Provide and encourage the pursuit of Islamic knowledge with recourse to classical sources.

The charity's principal activity in furtherance of its objectives is providing a service to the public for their religious knowledge needs and facilitating social matter related questions to be answered by qualified scholars.

Summary of main activities in relation to its objects

Our strategy for achieving the charity's objectives includes the dissemination of knowledge through the means of conducting lectures and the provision of advice to beneficiaries.

The objects are pursued in a variety of ways, including the organizing of formal talks and lectures, in a positive campaign to introduce the pristine message of Islam to the English-speaking public and to educate Muslims and non-Muslims on various aspects of Islam.

Achievements and Performance of the Charity

A review of charitable activities undertaken by Al Kawthar Academy has over the past year:

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2020

- Organised regular lectures, seminars and speeches in association with various Islamic organizations nationally throughout the year.
- Conducted teaching of Arabic and Islamic studies; these lessons are taught in English.
- Replied to questions and queries for religious information and advice.
- Responded to requests of assistance; and the offering of counseling, moral advice and spiritual guidance.

Fundraising activities

The charity does not actively fundraise rather relies on donations from its donors, whose support is valued. Donations have been received mainly as a result of word-of-mouth publicity.

Volunteers

We are grateful to the numerous volunteers that support the charity with the necessary knowledge, experience and skills to be able to operate the charity.

Summary of the main achievements of the charity during the year

We continued the opportunity for beneficiaries to study and understand the most authentic book of traditions (Saheeh Bukhari) and the Qur'an in the English language, taught and explained by qualified Scholars. This has been a unique opportunity for beneficiaries because this is the first time that Saheeh Bukhari has been explained in English.

Governance and Decision Making

Nature of the Governing Document and constitution of the charity

The charity is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association. The directors of the company are also trustees of the charity. Eligibility for membership of the charity and membership of the board of trustees is governed by the memorandum and articles of association. There are no restrictions in the governing document on the operation of the charity of its investment powers, other than those imposed by general charity law.

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2020

Recruitment and appointment of new trustees

The process involves determining the optimum skills, knowledge and experience mix for the: current operational climate and needs, identifying potential members, promoting and explaining the activities of the Board to potential members. Quality, characteristics and qualifications are decided upon when selecting members of the Board of Trustees.

Relationships between the charity and related parties

The induction of new Trustees would include an explanation of the function of the Board of Trustees and appointing a mentor for the new member to the Board of Trustees. An overview of the organization and its activities is provided. On-going appropriate training is recommended.

Operating Model and Risks

We fund our work with income from our donors and are able to maintain a focus on charitable activities maintaining our cost base to operate the services for the beneficiaries.

Risk management:

Al Kawthar Academy take their responsibilities towards volunteers, staff, donors and beneficiaries very seriously. An important aspect of discharging these responsibilities involves the identification and management of all potential risks that might compromise staff, resources, or ability to deliver charitable programmes.

The Charity, therefore, has the ultimate duty to regularly identify and review the risks to which the Charity is exposed, and ensure that appropriate controls are in place to provide reasonable assurance against fraud, malicious acts, and error.

The Trustees are satisfied that all systems are in place or arrangements are in hand to manage the risks that have been identified, having ensured segregation of duties. In particular Insurance cover is in place and the finances of Al Kawthar Academy are kept under review.

Appropriate Disclosure and Barring Service (DBS) checks, supported by regularly reviewed policies are made for all those who work with any vulnerable groups within academy.

COVID Statement

The increased infection risk of COVID-19 during March 2020 had its impact on Al Kawthar Academy as follow:

- 1- As result of the COVID pandemic, we adapted our approach to embrace its online teaching system, Al Kawthar Academy has developed all the required teaching materials in terms of Power points, Words, and Pdf documents to be delivered through this online teaching system, and all the required logistics for delivering this material.
- 2- To support our students during the impact of the pandemic, we applied consideration of financial difficulties and other wellbeing measures and supported our students to continue learning.
- 3- Our financial health and continued support for Al Kawthar Academy facilitated our income to increase during these challenging times as such Al Kawthar Academy has sufficient free reserves to continue successfully.

Financial Review

Policies on reserves

The charity works closely with the other organizations to present the pristine message of Islam to the English-speaking public and to educate Muslims and non-Muslims on various aspects of Islam.

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2020

The trustees have resolved to establish reserves to provide for future activities, and to provide funding for the expected expenditure for six months ahead. The policy on reserves is that the existing assets are retained to produce income which is wholly utilized to support existing activities. There is no intention in the long term to either increase or reduce the capital significantly. This policy is justified in that it is necessary to preserve income at the present levels in order to maintain the activities of the charity.

The principal funding sources during the year was voluntary donations as a result of word of mouth publicity. Minimum expenditure was incurred in relation to raising funds.

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

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 fulfill its obligations in respect of each fund.

The principal funding sources during was voluntarily donations as a result of word of mouth publicity.

Transactions and Financial position

The financial statements are set out on pages 9 to 15. The financial statements have been prepared implementing with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102).

The Statement of Financial Activities show net income of £125,497 (prior year net income £120,989). The majority of the expenditure is spent on delivering the charitable activities as stated in the Charity's aims and objectives.

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2020

Specific changes in fixed assets

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.

Changes in fixed assets are shown in detail in the notes to the accounts.

Financial performance of the charities subsidiary undertakings

Al Kawthar Productions Ltd generated a net loss of £17,097 in 2020 (prior year loss: £16,742) details given in Note 5. The principal activity of the company during the year was that of the promotion of audio lectures and written material, these activities contributed to creating awareness and promoting the charitable work of Al Kawthar Academy.

Share Capital

The company is limited by guarantee and therefore has no share capital

The members of the Board of Trustees of the Charity during the year ended 31st December 2021 were :-

M A Rahman
M A Rashid
A Memi

All the directors of the company are also trustees of the charity, and their responsibilities include all the responsibilities of directors under the Companies Acts and of trustees under the Charities Acts.

The directors/trustees are all members of the charity

The members of the Board of Trustees of the Charity at the date the report and accounts were approved were:-

M A Rahman
M A Rashid
A Memi

Bankers

Natwest
Birmingham City Centre Branch Birmingham

Statement of Directors' and Trustees' Responsibilities

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. Notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with current best practice and prepare the accounts according to the Charities SORP.

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 then apply them consistently;

Make judgements and estimates that are reasonable and prudent; and

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

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2020

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 charity legislation. 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 contents of the Trustees' report and the accountant preparing the accounts has no responsibilities in relation to the Trustees' report.

The financial statements have been prepared implementing the Statement of Recommended Practice for Accounting and Reporting (FRS102). These accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 and SORP 2019.



Mr. M A Rashid
Director and Trustee
29 September 2022

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2020

Report of the Independent Accountant to the trustees on the accounts of Al Kawthar Acaademy for the year ended 31 December 2021

We report on the financial statements of the charity on pages 10 to 16.

Respective responsibilities of directors and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income did not exceed £250,000 and I am qualified to undertake the examination by being a qualified member of the Association of Chartered Certified Accountants.

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

- examine the accounts under section 145 of the 2011Act
- to follow the procedures laid down in the general Directions given by the Charities Commission under section 145(5)(b) of the 2011Act
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the 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 in the next statement.

Independent Examiner's Statement

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

(1) which gives me reasonable cause to believe that in any material respect of the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006 and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.

The Examiner's relevant professional qualification is: Chartered Certified Accountant

Virtus Financial Services

Chartered Certified Accountants

Birmingham

The date upon which this report was completed is: - 18 September 2022

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2020

Consolidated Statement of Financial Activities and Income & Expenditure Account for the year ended 31 December 2021

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income					
Donations and legacies	4	19,483	-	19,483	48,369
Income from charitable activities	4	223,720	-	223,720	137,551
Investments	4	48,000	-	48,000	49,563
Total Income		291,204	-	291,204	235,483
Expenditure					
Raising Funds		22,912	-	22,912	21,167
Charitable activities	6	142,795	-	142,795	116,508
Total expenditure		165,707	-	165,707	137,675
Net income/(expenditure) and net movement In funds for the year					
Gains/(losses) on Revaluation of Property	9	443,873	-	443,873	-
Net Movement in Funds		569,370	-	569,370	97,808
Reconciliation of funds					
Total funds brought forward		466,067	-	466,067	368,259
Total Funds carried forward	15	1,035,437	-	1,035,437	466,067

The statement of financial activities includes all gains and losses recognized in the year. All income and expenditure are derived from continuing activities.

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2020

Al Kawthar Academy & Subsidiary Undertaking Consolidated Balance Sheet as at 31 December 2021

	Notes	2021 £ Group	2021 £ Charity	2020 £ Group	2020 £ Charity
Fixed assets					
Tangible assets	9	163,816	163,816	258,264	258,264
Investments	10	525,861	-	2	2
Total fixed assets		689,677	689,677	258,264	258,266
Current assets					
Stock	11	9,111	-	6,996	-
Debtors	12	142,624	154,011	44,955	43,467
Cash at bank and in hand		218,019	209,587	182,938	168,365
Total current assets		369,754	363,598	234,889	211,833
Creditors: -					
amounts due within one year	13	(3,470)	(3,627)	(7,039)	(5,583)
Net current assets		366,284	347,456	227,850	206,249
Total assets less current liabilities		1,055,960	1,037,133	486,116	464,515
Creditors: -					
amounts due after more than one year	14	(20,525)	(17,656)	(20,049)	(18,629)
Net assets		1,035,435	1,019,477	466,067	445,886
The funds of the charity:					
Unrestricted revenue accumulated fund		365,075	346,248	231,643	208,594
Designated fixed asset funds		226,487	229,356	234,424	237,292
Revaluation Reserve		443,873	443,873	-	-
Total unrestricted funds		1,035,435	1,019,477	466,067	445,886
Total charity funds	15	1,035,435	1,019,477	466,067	445,886

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

Audit Exemption

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

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes at pages 12 to 18 form part of these accounts.

Trustee/Director

M A Rashid



Approved by the board of trustees on 29 September 2022

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2020

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2020

Notes to the accounts

1. Accounting policies
 - a) *Basis of preparation of the accounts*

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities and Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Advantage has been taken of Section 396(5) of The Companies Act 2006 to allow the format of the financial statements to be adapted to reflect the special nature of the charity's operation and in order to comply with the requirements of the SORP. The particular accounting policies adopted are set out below.

- b) *Accounting convention*

The financial statements are prepared, on a going concern basis, under the historical cost convention.

Incoming Resources

Incoming resources are accounted for on a receivable basis.

Investment Income

Rental income is included in the income and expenditure account net of collection charges on a receivable basis.

- c) *Recognition of liabilities*

Liabilities are recognised on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales.

- d) *Expenditure*

In particular the policy for including items within costs of generating funds, charitable activities and governance costs is:

- e) *Raising funds*

The costs of raising and generating funds shall include dealing costs, and management and advisory fees incurred in respect of investment management.

- f) *Charitable activities*

Charitable expenditure shall include all expenditure directly related to the objects of the charity including the following:-

The cost of goods and services and ancillary trading costs that have been incurred in charitable activities. Any staff costs incurred as a direct support costs of activities

Support costs of activities for charitable purposes comprising any costs including salary costs of any staff that are involved with supporting the charitable activities.

- g) *Governance*

Governance costs shall include all expenditure directly incurred in the management of the charity's assets and compliance with charitable and statutory requirements.

- h) *Allocation of costs within types of resources expended*

The methods and principles for the allocation and apportionment of all costs between the different activity categories of resources set out above are:-

There are a number of costs, where it is impracticable to allocate these costs precisely between administration and charitable expenditure and the trustees have allocated such costs on the basis of reasonable estimates as follows:-

Staffing costs and related expenses

On the basis of salary costs, and estimated time spent on different activities Premises costs and related expenses on the basis consistent with the use of resources.

- i) *Group Financial Statements*

The financial statements of the Charity's trading subsidiary company, Al Kawthar Productions Ltd, are consolidated within the accounts of the Group on a line by line basis, in accordance with current legislation. The Statement of Financial Activities includes the income and expenditure from the subsidiary company. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Note 3 gives details of the income and expenditure of the trading subsidiary.

Al Kawthar Productions Ltd is considered to be an intrinsic part of Al Kawthar Academy achieving its objectives.

- j) *Fixed assets and depreciation*

All tangible fixed assets, are stated at cost less depreciation. Items of less than £100 are not capitalised. Depreciation has been provided at the following rates in order to write off the assets (less their expected residual value) over their estimated useful economic lives.

Freehold land and buildings Over 50 years

Plant and Machinery Over 15 years straight line basis

Fixtures, fittings Over 6 years straight line basis

Office equipment Over 4 years straight line basis

Computer Equipment Over 4 years straight line basis

- k) *Investment*

Long term investments are classified as fixed assets and stated at current value. They consist of subsidiary undertaking unlisted investments.

- l) *Stock*

Stocks and work in progress are stated at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal.

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2020

Notes to the accounts (continued)

m) Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is not recoverable by the company, and is therefore included in the relevant costs in the Statement of Financial Activities

n) Funds structure policy

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment. Restricted funds have been provided to the charity for particular purposes, and it is the policy of the board of trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them. The Charity at present holds no restricted funds. A designated fixed asset fund is maintained which represents the written down value of tangible fixed assets. There is no formal policy of transfer between funds or on the allocation of funds to designated funds, other than that described above. Any other proposed transfer between funds would be considered on the particular circumstances.

2 (Deficit)/surplus for the financial year	2021	2020
	£	£
This is stated after crediting: -		
Depreciation of owned fixed assets	12,462	7,112

3 Trustee Expenses

No expenses were paid to trustees or connected persons.

4 Financial performance by activity

	Fundraising	Educational Programmes	Social Religious Advice	Total 2020	Total 2019
	£	£	£	£	£
Donations	-	-	19,483	19,483	48,369
Charitable activities	-	190,933	-	190,933	128,691
Government Grant	-	8,986	-	8,986	6,201
Investment	48,000	-	-	48,000	49,563
Trading: Subsidiary	6,855	-	-	6,855	2,658
Total Income	54,855	199,918	19,483	274,257	235,485

5 Subsidiary income and expenditure

	2021	2020
	£	£
Turnover	6,855	2,658
Total trading income	6,855	2,658
Expenditure	23,952	19,400
Net Profit/(loss) for the financial year	(17,097)	(16,742)
Turnover	6,855	2,658
Elimination of inter-company sales	-	-
Adjusted income to group accounts	6,855	2,658
Expenditure	23,952	19,400
Elimination of inter-company charges	-	-
	23,952	19,400

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2020

Notes to the accounts (continued)

6. Analysis of charitable expenditure by activity

Nature of Charitable Expenditure	Fundraising	Educational Programmes	Social Religious Advice	2021	2020
				Total	Total
				£	£
Activities Undertaken Directly	1,223	70,663	40,904	112,789	104,114
Support Costs of Charitable Activities	7,452	33,082	14,646	55,181	33,561
Total Expenditure	8,675	103,745	55,550	167,970	137,675

An explanation of the main features of charitable expenditure is given in note 1 to the accounts

7 Analysis of Total Support Costs by Activity

Nature of Support Costs	Fundraising	Educational Programmes	Social Religious Advice	2021	2020
				Total	Total
				£	£
Management & Administration	5,883	28,077	14,646	48,607	27,540
Facilities	1,569	5,005	-	6,574	6,021
Total Expenditure	7,452	33,082	14,646	55,181	33,561

8 Staff Costs and Emoluments

	2021	2020
	£	£
Gross Salaries	60,747	41,316

Numbers of full-time equivalents employees

	2021	2020
Charitable Activities	32	31

Volunteers have donated an unquantifiable amount of time to Al Kawthar Academy the value of which is impossible to reflect. There were no fees or other remuneration paid to the trustees

There were no employees with emoluments in excess of £60,000 per annum

Neither the trustees nor any persons connected with them have received any remuneration, either in the current year or the prior Year.

9 Tangible functional fixed assets

Group	Freehold Land and Buildings	Plant, Machinery & Vehicles	Total
	£	£	£
Asset Cost			
At 1 January 2021	372,096	15,928	388,024
Additions			
Disposals			
Reclassification to Investment Property – Depreciation Offset	(42,185)		(42,185)
Revaluation of building reclassified to investment property	443,873		443,873
Reclassification to Investment Property	(530,000)		(530,000)
At 31 December 2021	243,784	15,928	259,712
Accumulated Depreciation			
At 1 January 2021	113,832	15,928	129,760
Charge for the year	8,321		8,321
Reclassification to Investment Property – Depreciation Offset	(42,185)		(42,185)
At 31 December 2021	79,968	15,928	95,896

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2020

Net Book Value			
At 31 December 2021	163,816	-	163,816
At 31 December 2020	258,264	-	258,264

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2020

Charity	Freehold Land and Buildings	Plant, Machinery & Vehicles	Total
	£	£	£
Asset Cost			
At 1 January 2021	372,096	15,928	388,024
Additions			
Disposals			
Reclassification to Investment Property – Depreciation Offset	(42,185)		(42,185)
Revaluation of building reclassified to investment property	443,873		443,873
Reclassification to Investment Property	(530,000)		(530,000)
At 31 December 2021	243,784	15,928	259,712
Accumulated Depreciation			
At 1 January 2021	113,832	15,928	129,760
Charge for the year	8,321		8,321
Reclassification to Investment Property – Depreciation Offset	(42,185)		(42,185)
At 31 December 2021	79,968	15,928	95,896
Net Book Value			
At 31 December 2021	163,816	-	163,816
At 31 December 2020	258,264	-	258,264

All assets are used for direct charitable purposes and there are no inalienable or heritage assets

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2020

Notes to the accounts (continued)

10. Fixed Asset Investments

	Leased Property £	Unlisted £	2020 Total £	2019 Total £
Value at 1 January		2		2
Additions				
Reclassification from Tangible Functional Fixed Assets	530,000		530,000	
Depreciation	(4,141)		(4,141)	
Value at 31 December	525,859	2	525,861	2

The group leases out a building under an operating lease. The lease will run for three years with an option to renew the lease after that date.

11 Stock

	2021 £	2020 £
Goods for resale	9,111	6,996

12 Debtors

	2021 £		2020 £	
	Group	Charity	Group	Charity
Amounts due from subsidiary undertakings	-	-	-	-
Trade debtors	16,467	16,467	-	-
Other Debtors	27,000	27,000	44,955	43,467
Prepaid expenses	-	-	-	-
	<u>43,467</u>	<u>43,467</u>	<u>44,955</u>	<u>43,467</u>

13 Creditors: amounts falling due within one year

	2021 £		2020 £	
	Group	Charity	Group	Charity
Trade creditors	3,470	3,267	7,039	7,032

14 Creditors :- Amounts Falling due after one year

	2021 £		2020 £	
	Group	Charity	Group	Charity
Unsecured Loans from third parties	20,049	17,180	20,049	17,180

15 Lease

At 31 December 2021, the future minimum lease payments under non-cancellable leases were receivable as follows

	2021 £
Less than one year	48,000
Between one and three years	96,000
More than three years	-
Total	144,000

16 Analysis of assets and liabilities representing funds

At 31 December 2020

	Unrestricted funds £	Designated funds £	Restricted funds £	Total Funds £
Tangible Fixed Assets	-	163,816	-	163,816
Investments	-	525,861	-	515,861
Current Assets	369,754	-	-	369,754
Current Liabilities	(3,470)	-	-	(3,470)
Long Term Liabilities	-	(20,525)	-	(20,049)
	<u>366,284</u>	<u>669,152</u>	<u>-</u>	<u>1,035,436</u>

17 Endowment Funds

The charity had no endowment funds in the year ended 2021 or in the year ended 2020.

18 Share Capital

The charity is limited by guarantee thus has no share capital.

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2020

19 Related Party

Al Kawthar Productions Ltd is a wholly owned subsidiary of Al Kawthar Academy. During the year ended 31st December 2021, Al Kawthar Academy was Nil inter-company sales.

The charity is incorporated under the Companies Act and is limited by guarantee.