

Registered Charity Number
1106630

Registered Company Number
5117582

Al Kawthar Academy & Subsidiary Undertaking

Annual Report and
Financial Statements
31 December 2023



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

| | Page |
|-----------------------------------|-------------|
| Charity and Company information | 3 |
| Trustee's Report | 3 |
| Accountant's report | 8 |
| Statement of Financial Activities | 9 |
| Balance sheet | 10 |
| Notes to the accounts | 11 |

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2023

Introduction

The trustees present their annual report and accounts for the year ended 31st December 2023.

The board of trustees are satisfied with the performance of the charity during the year and the position at 31st December 2023 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 the 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 2023

- 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 2023

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 the academy.

Financial Review

Policies on reserves

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2023

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.

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 shows net income of £67,277, (prior year net income £29,785). 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 2023

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 £25,745 in 2023 (prior year loss: £20,785) 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 2023 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 2023

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
23 September 2024

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2023

Report of the Independent Accountant to the trustees on the accounts of Al Kawthar Academy for the year ended 31 December 2023

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 assets did not exceed £3.26m 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 2011 Act
- to follow the procedures laid down in the general Directions given by the Charities Commission under section 145(5)(b) of the 2011 Act
- 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 2024

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2023

Consolidated Statement of Financial Activities and Income & Expenditure Account for the year ended 31 December 2023

| | Notes | Unrestricted Funds 2023 £ | Restricted Funds 2023 £ | Total Funds 2023 £ | Total Funds 2022 £ |
|--|-------|------------------------------------|----------------------------------|-----------------------------|--------------------------|
| Income | | | | | |
| Donations and legacies | 4 | 27,496 | - | 27,496 | 20,531 |
| Income from charitable activities | 4 | 181,096 | - | 181,096 | 143,889 |
| Investments | 4 | 48,000 | - | 48,000 | 48,000 |
| Total Income | | 256,592 | - | 256,592 | 212,420 |
| Expenditure | | | | | |
| Raising Funds | | 42,557 | - | 42,557 | 14,312 |
| Charitable activities | 6 | 146,758 | - | 146,758 | 168,326 |
| Total expenditure | | 189,315 | - | 189,315 | 182,638 |
| Net income/(expenditure) and net movement in funds for the year | | 67,277 | - | 67,277 | 29,782 |
| Gains/(losses) on Revaluation of Property | 9 | - | - | - | - |
| Net Movement in Funds | | 67,277 | - | 67,277 | 29,782 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 1,065,219 | - | 1,065,219 | 1,035,437 |
| Total Funds carried forward | 15 | 1,132,496 | - | 1,132,496 | 1,065,219 |

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 2023

Al Kawthar Academy & Subsidiary Undertaking

Consolidated Balance Sheet

as at 31 December 2023

| | Notes | 2023 £ Group | 2023 £ Charity | 2022 £ Group | 2022 £ Charity |
|--|-------|--------------------|----------------------|--------------------|----------------------|
| Fixed assets | | | | | |
| Tangible assets | 9 | 163,586 | 163,586 | 159,406 | 159,406 |
| Investments | 10 | 492,737 | 492,739 | 509,509 | 509,511 |
| Total fixed assets | | 656,323 | 656,325 | 668,915 | 668,917 |
| Current assets | | | | | |
| Stock | 11 | 6,396 | - | 6,789 | - |
| Debtors | 12 | 162,679 | 158,919 | 144,574 | 141,348 |
| Cash at bank and in hand | | 331,771 | 301,969 | 275,012 | 246,755 |
| Total current assets | | 500,846 | 460,888 | 426,375 | 388,103 |
| Creditors: - | | | | | |
| amounts due within one year | 13 | (4,624) | (4,229) | (10,022) | (9,420) |
| Net current assets | | 496,222 | 456,659 | 366,284 | 378,683 |
| Total assets less current liabilities | | 1,152,545 | 1,112,984 | 1,085,268 | 1,047,600 |
| Creditors: - | | | | | |
| amounts due after more than one year | 14 | (20,049) | (17,180) | (20,049) | (17,180) |
| Net assets | | 1,132,496 | 1,095,804 | 1,065,219 | 1,030,420 |
| The funds of the charity: | | | | | |
| Unrestricted revenue accumulated fund | | 541,845 | 502,284 | 502,012 | 464,345 |
| Designated fixed asset funds | | 146,777 | 149,646 | 119,333 | 122,202 |
| Revaluation Reserve | | 443,874 | 443,874 | 443,874 | 443,874 |
| Total unrestricted funds | | 1,132,496 | 1,095,804 | 1,065,219 | 1,030,420 |
| Total charity funds | 15 | 1,132,496 | 1,095,804 | 1,065,219 | 1,030,420 |

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 19 form part of these accounts.

Trustee/Director

M A Rashid

Approved by the board of trustees on 23 September 2024

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2023

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 2023

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 | 2023 | 2022 |
| | £ | £ |
| This is stated after crediting: - | | |
| Depreciation of owned fixed assets | 27,383 | 20,760 |

3 Trustee Expenses

No expenses were paid to trustees or connected persons.

4 Financial performance by activity

| | Fundraising | Educational Programmes | Social Religious Advice | Total 2023 | Total 2022 |
|-----------------------|---------------|------------------------|-------------------------|----------------|----------------|
| | £ | £ | £ | £ | £ |
| Donations | - | - | 27,744 | 27,744 | 22,156 |
| Charitable activities | - | 170,308 | - | 170,308 | 141,850 |
| Investment | 48,000 | - | - | 48,000 | 48,000 |
| Trading: Subsidiary | 10,540 | - | - | 10,540 | 414 |
| Total Income | 58,540 | 170,308 | 27,744 | 256,592 | 212,420 |

5 Subsidiary income and expenditure

| | 2023 | 2022 |
|---|-----------------|-----------------|
| | £ | £ |
| Turnover | 10,540 | 414 |
| Total trading income | 10,540 | 414 |
| Expenditure | 36,285 | 21,571 |
| Net Profit/(loss) for the financial year | (25,745) | (21,157) |
| Turnover | 10,540 | 414 |
| Elimination of inter-company sales | - | - |
| Adjusted income to group accounts | 10,540 | 414 |
| Expenditure | 36,285 | 21,571 |
| Elimination of inter-company charges | - | - |
| Adjusted income to group accounts | 36,285 | 21,571 |

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2023

Notes to the accounts (continued)

6. Analysis of charitable expenditure by activity

| Nature of Charitable Expenditure | | | | 2023 | 2022 |
|--|---------------|------------------------|-------------------------|----------------|----------------|
| | Fundraising | Educational Programmes | Social Religious Advice | Total | Total |
| | £ | £ | £ | £ | £ |
| Activities Undertaken Directly | 75 | 86,642 | 25,860 | 112,577 | 117,082 |
| Support Costs of Charitable Activities | 30,657 | 30,971 | 15,111 | 76,738 | 65,553 |
| Total Expenditure | 30,732 | 117,613 | 40,971 | 189,315 | 182,635 |

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 | | | | 2022 | 2021 |
|-----------------------------|---------------|------------------------|-------------------------|---------------|---------------|
| | Fundraising | Educational Programmes | Social Religious Advice | Total | Total |
| | £ | £ | £ | £ | £ |
| Management & Administration | - | 30,971 | 9,533 | 40,504 | 46,491 |
| Facilities | 30,657 | - | 5,578 | 36,235 | 19,062 |
| Total Expenditure | 30,657 | 30,971 | 15,111 | 76,738 | 65,553 |

8 Staff Costs and Emoluments

| | 2023 | 2022 |
|----------------|--------|--------|
| | £ | £ |
| Gross Salaries | 48,314 | 84,964 |

Numbers of full-time equivalents employees

| | 2022 | 2022 |
|-----------------------|------|------|
| Charitable Activities | 29 | 24 |

Volunteers have donated an unquantifiable amount 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

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2023

| Group | Freehold Land and Buildings | Plant, Machinery & Vehicles | Fixtures and Fittings | Total |
|---------------------------------|--------------------------------|--------------------------------|--------------------------|----------------|
| | £ | £ | £ | £ |
| Asset Cost | | | | |
| At 1 January 2023 | 243,784 | 15,928 | 38,156 | 259,712 |
| Additions | | | 15,000 | |
| Disposals | | | | |
| At 31 December 2023 | 243,784 | 15,928 | 53,156 | 259,712 |
| | | | | |
| Accumulated Depreciation | | | | |
| At 1 January 2023 | 84,378 | 15,928 | 38,156 | 100,306 |
| Charge for the year | 8,321 | | 2,500 | 10,921 |
| At 31 December 2023 | 92,699 | 15,928 | 40,656 | 111,127 |
| | | | | |
| Net Book Value | | | | |
| At 31 December 2023 | 151,086 | - | 12,500 | 163,586 |
| At 31 December 2022 | 163,816 | - | | 163,816 |

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2023

| Charity | Freehold Land and Buildings | Plant, Machinery & Vehicles | Fixtures and fittings | Total |
|---------------------------------|--------------------------------|--------------------------------|--------------------------|----------------|
| | £ | £ | £ | £ |
| Asset Cost | | | | |
| At 1 January 2023 | 243,784 | 15,928 | | 259,712 |
| Additions | | | 15,000 | |
| Disposals | | | | |
| At 31 December 2023 | 243,784 | 15,928 | 15,000 | 259,712 |
| Accumulated Depreciation | | | | |
| At 1 January 2023 | 84,378 | 15,928 | - | 100,306 |
| Charge for the year | 8,321 | | 2,500 | 10,921 |
| At 31 December 2023 | 92,699 | 15,928 | 2,500 | 111,127 |
| Net Book Value | | | | |
| At 31 December 2023 | 151,086 | - | 12,500 | 163,586 |
| At 31 December 2022 | 163,816 | - | | 163,816 |

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 2023

Notes to the accounts (continued)

10. Fixed Asset Investments

| | Leased Property £ | Unlisted £ | 2023 Total £ | 2022 Total £ |
|----------------------|----------------------|---------------|--------------------|--------------------|
| Value at 1 January | 509,509 | 2 | 509,511 | 525,861 |
| Additions | | | | |
| Depreciation | (16,562) | | (16,562) | (16,350) |
| Value at 31 December | 492,737 | 2 | 492,739 | 509,511 |

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 | | | 2023 £ | 2022 £ |
|------------------|--|--|-----------|-----------|
| Goods for resale | | | 6,396 | 6,789 |

| 12 Debtors | 2022 £ | 2023 £ | 2022 £ | 2022 £ |
|--|-----------|-----------|-----------|-----------|
| | Group | Charity | Group | Charity |
| Amounts due from subsidiary undertakings | - | - | - | - |
| Trade debtors | 136,679 | 132,919 | 113,574 | 110,348 |
| Other Debtors | 26,000 | 26,000 | 31,000 | 31,000 |
| Prepaid expenses | - | - | - | - |
| | 162,679 | 158,919 | 144,574 | 141,348 |

| 13 Creditors: amounts falling due within one year | 2023 £ | 2023 £ | 2022 £ | 2022 £ |
|---|-----------|-----------|-----------|-----------|
| | Group | Charity | Group | Charity |
| Trade creditors | 4,624 | 4,229 | 10,022 | 9,420 |

| 14 Creditors :- Amounts Falling due after one year | 2023 £ | 2023 £ | 2022 £ | 2022 £ |
|--|-----------|-----------|-----------|-----------|
| | Group | Charity | Group | Charity |
| Unsecured Loans from third parties | 20,049 | 17,180 | 20,049 | 17,180 |

15 Lease

At 31 December 2023, the future minimum lease payments under non-cancellable leases were receivable as follows

| | 2023 £ | 2022 £ |
|-----------------------------|---------------|---------------|
| Less than one year | 48,000 | 48,000 |
| Between one and three years | - | 48,000 |
| More than three years | - | - |
| Total | 48,000 | 96,000 |

Al Kawthar Academy & Subsidiary Undertaking

Annual Report of the trustees for the year ended 31 December 2023

16 Analysis of assets and liabilities representing funds

At 31 December 2023

| | Unrestricted | Designated | Restricted | Total |
|-----------------------|----------------|----------------|------------|------------------|
| | funds | funds | funds | Funds |
| | £ | £ | £ | £ |
| Tangible Fixed Assets | - | 163,586 | - | 163,586 |
| Investments | - | 492,737 | - | 492,737 |
| Current Assets | 500,846 | - | - | 500,846 |
| Current Liabilities | (4,624) | - | - | (4,624) |
| Long Term Liabilities | - | (20,049) | - | (20,049) |
| | <u>496,222</u> | <u>636,274</u> | <u>-</u> | <u>1,132,496</u> |

17 Endowment Funds

The charity had no endowment funds in the year ended 2023 or in the year ended 2022.

18 Share Capital

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

19 Related Party

Al Kawthar Productions Ltd is a wholly owned subsidiary of Al Kawthar Academy. During the year ended 31st December 2023, Al Kawthar Academy was Nil inter-company sales.

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