



AL FURQAN EDUCATIONAL TRUST
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2020



EDEN CURRIE LIMITED
CHARTERED ACCOUNTANTS

AL FURQAN EDUCATIONAL TRUST

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FOR THE YEAR ENDED 31 AUGUST 2020

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AL FURQAN EDUCATIONAL TRUST
CHARITY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2020

TRUSTEE Mr A Ahmed
Ms R Ahmed Mpharm
Ms Z Hussain MSc BSc (Hons) PGCE
Dr H Ramezanzadah

REGISTERED NUMBER: 08591845 (England & Wales)

CHARITY REGISTERED NUMBER: 1153025

REGISTERED OFFICE: No. 1 St Paul's Square
Liverpool
L3 9SJ

WEBSITE ADDRESS: www.afet.co.uk

INDEPENDENT EXAMINERS: Eden Currie Limited
Chartered Accountants
2 Highlands Court
Cranmore Avenue
Solihull
B90 4LE

BANKERS: HSBC
34 Poplar Road
Solihull
West Midlands
B91 3AF

AL FURQAN EDUCATIONAL TRUST**TRUSTEES' REPORT****FOR THE YEAR ENDED 31 AUGUST 2020**

The trustees present their report with the financial statements for the year ended 31 August 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) Accounting and reporting by Charities in preparing the financial statements of the Charity.

Incorporation

The charitable company was incorporated in 1 July 2013. On 12 September 2013 the assets and liabilities of an unincorporated charity named Al Furqan Educational Trust were transferred to the company. The trustees of the unincorporated charity did not receive any benefit or remuneration as a result of the transfer of assets and liabilities to the incorporated charity known as Al Furqan Educational Trust.

Objectives and Principal Activities

The company is a registered charity, its objects are specifically restricted to advance the cause of Islamic education based on the principle of "La Ilaha Muhammadur Rasullullah" without any modification in accordance with the Qur'an and Hadith, in the United Kingdom, including but not limited to, advance the education at educational institutions operating on the Charity's properties by providing and assisting in the provision of facilities for Islamic education at the educational institutions both in terms of buildings and curriculum.

Governing Document

Al Furqan Educational Trust is constituted as a charitable trust registered with the Charity Commission on 23 July 2013 under charity number 1153025. It is governed by the Company's Memorandum and Articles of Association dated 1 July 2013.

Trustees

The directors of the charitable company are its trustees for the purposes of Charity Law. The trustees who served during the year were:

Mr A Ahmed
Ms R Ahmed Mpharm
Ms Z Hussain MSc BSc (Hons) PGCE
Dr H Ramezanzadah

Appointment of Trustees

The existing trustees are responsible for the recruitment of new trustees in accordance with the requirements of the Charity's constitution.

Trustee Induction and Training

Following appointment, new trustees are introduced to their role and given copies of the governing document and a guide to the policies and procedures adopted by our 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.

AL FURQAN EDUCATIONAL TRUST**TRUSTEES' REPORT****FOR THE YEAR ENDED 31 AUGUST 2020****(continued)****Organisation**

The board of trustees meet regularly to review the progress and activities of the charity. Once a year trustees review and approve a three year business / strategic development plan and the budgets for the following year.

Risk Management

All major insurable risks are subject to normal public liability and employer's insurance. Contractual risks are assessed before being entered into to assess whether they will impact upon the Foundation's ability to fulfil its objects. Risk assessments are undertaken by volunteers and members of staff responsible for the area of authority involved. The trustees undertake an annual review of all areas of risk.

Public benefit

The Trustees confirm that they have referred to the guidance contained within the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Financial Achievements, Performance and Activities

The financial statements on pages six to eleven have been prepared under the requirements of the Statement of Recommended Practice 2019 (SORP FRS 102) and the Charities Act 2011.

The Statement of Financial Activities disclosed on page six of the accounts reveals net incoming resources for the year of £14,734 (2019: net incoming resources for the year of £4,493).

The Charity continues to have a Transfer of Control Agreement (TOCA) in place which provides a mechanism to protect the Charity's freehold property and also reduces exposure to any future unforeseen costs.

During the Covid 19 Pandemic the Charity's fundraising activities were limited to raising funds online. Once Government restrictions are removed and funds can be raised in a safe and secure environment the Charity will continue with hosting events to raise much needed funds.

During the year ended 31 August 2020 the Charity continued to achieve its stated objectives by attending a range of virtual online meetings with bodies such as Department for Education, Muslim Liaison Committee, Birmingham City Council and The Standing Advisory Body for Religious Education. Attendance at such meetings has continued to provide trustees with an opportunity to be involved in the future of our education system.

The Charity continued to support schools during the Covid 19 Pandemic with their curriculum and ethos by the provision of online workshops and training. Unfortunately, the Charity's attendance and sponsorship of the annual IQA Presentation event, which recognises and celebrates student achievement, had to be postponed due to Covid 19. However, an online celebration did take place to provide students with some form of recognition and celebration. The event will take place after Government restrictions are removed and the Charity looks forward to being involved in this crucial event in the school's calendar.

AL FURQAN EDUCATIONAL TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020
(continued)

Investment Policy

All investments made have been within the limits permitted by the charity's constitution.

Reserves policy

The trustees' reserves policy is to manage the reserves in such a way as to have sufficient funds available for the orderly winding up of the charity without liability should its future income be in such doubt that this is the only credible course of action.

Trustees Responsibilities in Relation to the Financial Statements

The trustees, who are also the directors of Al Furqan Educational Trust for the purpose of the Companies Act, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

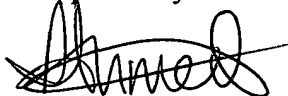
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees report has been prepared having taken account of the small companies exemption in the Companies Act 2006.

Approved by the trustees on 20 May 2021 and signed on their behalf by



Ms R Ahmed Mpharm
Trustee

AL FURQAN EDUCATIONAL TRUST
INDEPENDENT EXAMINERS REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

Independent Examiner's Report to the Trustees of Al Furqan Educational Trust

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 August 2020 which are set out on pages six to twelve.

Responsibilities and basis of report

As the charity trustees of the company (who are also the directors of the company for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Paul Mannion ACA ACCA
for and on behalf of Eden Currie Limited
Chartered Accountants
2 Highlands Court
Cranmore Avenue
Solihull
B90 4LE

20 May 2021

AL FURQAN EDUCATIONAL TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted Funds 2020 £	Unrestricted Funds 2019 £
Income and endowments			
Donations and legacies	2	28,207	3,660
Other trading activities	3	-	10,300
Investment income	4	61,457	61,457
Total Income		<u>89,664</u>	<u>75,417</u>
Expenditure			
Expenditure on charitable activities	5	74,930	70,924
Total expenditure		<u>74,930</u>	<u>70,924</u>
Net movement in funds		14,734	4,493
Reconciliation of Funds			
Total Funds Brought Forward		4,262,653	4,258,160
Total funds Carried Forward	10	<u>4,277,387</u>	<u>4,262,653</u>

AL FURQAN EDUCATIONAL TRUST (COMPANY NUMBER 8591845)

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	7	4,286,710	4,296,520
Current assets			
Cash at bank and in hand		18,437	83
Current Liabilities			
Creditors falling due within one year	8	<u>(27,760)</u>	<u>(27,700)</u>
Net Current Liabilities		(9,323)	(27,617)
Creditors falling due after more than one year	9	<u>-</u>	<u>(6,250)</u>
Total assets less current liabilities		<u>4,277,387</u>	<u>4,262,653</u>
The funds of the Charity			
Unrestricted income funds (includes revaluation reserve of £3,884,500)	10	4,277,387	4,262,653
		<u>4,277,387</u>	<u>4,262,653</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. These annual accounts and reports have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

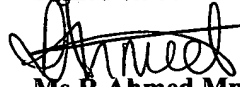
For the year ending 31 August 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the Trustees on 20 May 2021.

Signed on behalf of the Trustees


Ms R Ahmed Mpharm
Trustee

AL FURQAN EDUCATIONAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies

a) Basis of Preparation

The financial statements have been prepared in accordance with 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) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

b) Donations and Legacies

Donations and legacies are accounted for when they are confirmed as due and are treated according to the donor's wishes.

c) Company Status

The charity is a company limited by guarantee. The members of the company are the trustees named on page one. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The Charity constitutes a public benefit entity as defined by FRS 102 Income recognition.

d) Incoming Resources

Income is included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts donated for resale or for fundraising use are included as income when they are either sold or utilised for fundraising purposes. No amounts are included in the financial statements for services donated by volunteers.

Donated goods, services or facilities are included in incoming resources when the benefit to the charity is reasonably quantifiable and measurable. They are valued by the trustees at the amount the charity would have been willing to pay for the services or the facilities on the open market.

e) Expenditure Recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Where costs cannot directly be attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

f) Irrecoverable Value Added Tax (VAT)

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

(Continued...)

AL FURQAN EDUCATIONAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies (Continued...)

g) Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost/revalued amount of each asset over its expected useful life, as follows:

Freehold Property - Revalued amount less estimated residual value - straight line over fifty years.

h) Fund Accounting

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

2. Donations and legacies	Unrestricted Total 2020 £	Unrestricted Total 2019 £
Gift Aid	27,057	-
Donations	1,150	3,660
	28,207	3,660
3. Other trading activities	Unrestricted Total 2020 £	Unrestricted Total 2019 £
Cake sales	-	4,500
Summer fund raiser	-	5,800
	-	10,300

AL FURQAN EDUCATIONAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Investment income	Unrestricted Total 2020 £	Unrestricted Total 2019 £
Gifts in kind – Rental income	<u>61,457</u>	<u>61,457</u>
 5. Expenditure on charitable activities	 Unrestricted Total 2020 £	 Unrestricted Total 2019 £
Depreciation	9,810	9,810
Accountancy	3,330	3,060
Legal and professional fees	320	(3,416)
Annual return filing fee	13	13
	<u>13,473</u>	<u>9,467</u>
Gifts in kind – Contribution towards building projects	61,457	61,457
	<u>74,930</u>	<u>70,924</u>

Included in expenditure on charitable activities are governance and support costs totalling £3,330 (2019 - £3,060).

6. Gifts in Kind and Donated Services

The charity received the following gift in kinds and donated services during the year ended 31 August 2020.

	2020 £	2019 £
Rental income	<u>61,457</u>	<u>61,457</u>

AL FURQAN EDUCATIONAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Tangible Fixed Assets	Freehold Property £	Total £
Cost/Valuation		
As at 1 September 2019		
And 31 August 2020	<u>4,375,000</u>	<u>4,375,000</u>
Depreciation		
At 1 September 2019	78,480	78,480
Charge for the period	<u>9,810</u>	<u>9,810</u>
At 31 August 2020	<u>88,290</u>	<u>88,290</u>
Net Book Value		
At 31 August 2020	<u>4,286,710</u>	<u>4,286,710</u>
At 31 August 2019	<u>4,296,520</u>	<u>4,296,520</u>
 8. Creditors: amounts falling due within one year	 2020 £	 2019 £
Other Creditors	25,000	25,000
Accruals	<u>2,760</u>	<u>2,700</u>
	<u>27,760</u>	<u>27,700</u>
 9. Creditors: amounts falling due after more than one year	 2020 £	 2019 £
Other Creditors	<u>-</u>	<u>6,250</u>
	<u>-</u>	<u>6,250</u>

AL FURQAN EDUCATIONAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Analysis of Net Assets between funds

	Fixed assets costs £	Fixed assets revaluation £	Net liabilities £	Total 2020 £
Unrestricted funds	402,210	3,884,500	(9,323)	4,277,387
	<u>402,210</u>	<u>3,884,500</u>	<u>(9,323)</u>	<u>4,277,387</u>

11. Trustees Emoluments

None of the trustees received any remuneration or reimbursed expenditure from the Charity.

12. Related Party Transactions

During the year the Charity received donations totalling £720 (2019 - £3,110) from the Charity's trustees. In addition a trustee made an interest free short term loan of £18,750 (2019 – nil) to the Charity.