Charity Registration No. 1134516

Company Registration No. 07055378 (England and Wales)

ISLAMIA SCHOOLS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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ISLAMIA SCHOOLS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Miss Aminah Islam Mrs Fawziah Islam Mrs Asmaa Georgiou
Charity number	1134516
Company number	07055378
Registered office	131b Salusbury Road London NW6 6RG
Auditor	AMS Accountants Corporate Limited Chartered Accountants Statutory Auditor Floor 2 9 Portland Street Manchester M1 3BE

ISLAMIA SCHOOLS LIMITED

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ISLAMIA SCHOOLS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also directors of the charitable company, present their annual report on the affairs of the charity, together with the financial statements and auditor's report for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2019. The Trustees' report (also the Directors' report) has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The trustees have taken an exemption from preparing a strategic report as the company is small.

The financial statements have been prepared in accordance with the accounting policies set out in note note,note01 to the financial statements and comply with the charity's governing document, the Companies Act 2006 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)" (effective 1 January 2019).

Objectives and activities
The charity's objects are the furtherance of the religion of Islam and the furtherance of Islamic Education.

Islamia Schools Limited runs two secondary schools in the London Borough of Brent - Islamia Girls' School and Brondesbury College. The main objective for the year was the continued operation of the secondary schools and investment in education. In addition, and for public benefit, scholarship grants were awarded to students on a needs basis to deserving individuals through the parent charity, the Yusuf Islam Foundation.

Both secondary schools are well established and are consistently rated among the very best in the Borough and in London. The schools provide education of the highest standard and nurture students who are responsible individuals and citizens. The charity's activities are dedicated to students' academic, spiritual, moral, social, and cultural development, and the charity considers the delivery and success of these activities to be for the public benefit.

Grant Making Policy
The principal funding source is from school fees followed by donations and other income from individuals and organisations. This income has allowed the charity to continue to provide the high quality education offered at the schools. Grants are offered to the most deserving students by way of scholarships where a family would otherwise be unable to afford the fees. Applications from parents are reviewed by a scholarship funding board, which includes at least one trustee. The principal beneficiaries of our grant-making programme are students at the educational institutions under the charity's wing. Scholarship awards are monitored throughout the academic year and reported on by the applicant's host school. Subject to the availability of funds, there is no upper limit on the number of grants awarded each year.

Public Benefit
The trustees have referred to the Charity Commission's general guidance on public benefit when delivering the aims and objectives of the charity and in planning future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives of the charity.

The charity's scholarship grants offer financial and public benefit to students and their families who would otherwise be unable to benefit from the high standard of education provided by our schools. The charity has established its grant making policy to achieve its objects for the public benefit.

The charity's activities are dedicated to students' academic, spiritual, moral, social, and cultural development, and the charity considers the success of these activities to be for the public benefit.

Achievements and performance

The effective running of Islamia Girls' School and Brondesbury College has ensured that both schools remain among the most academically successful educational institutions in London.

COVID-19 has had an impact on the delivery of education that we were otherwise accustomed to delivering. We have naturally adapted our systems so that we were able to continue offering daily lessons virtually, during lockdown, to all our students as per the regular timetable that had been set. Furthermore, along with all secondary schools nationally, our students were unable to sit the GCSE examinations as they normally would have. Consequently, we have been unable to compare the performance of our two secondary schools as we normally would have. Nevertheless, we anticipate that our schools will return back to achieving exemplary GCSE examination results once again (among the best in North West London). COVID-19 has also had an impact on the extra-curricular offerings that our students actively participate in such as the LAMDA courses and the Tycoon Enterprise Competitions as well as the Year 11 annual charity campaigns which is normally hosted by both schools to raise regular funding for UK charities each year. We anticipate that this will all resume as normal in the forthcoming year.

Overall, the trustees believe that they have met their objectives for the year particularly given the new set of circumstances and strains that our schools faced along with all other schools nationally, where we were required to switch our normal face-to-face lessons to a virtual remote platform almost overnight following the Government lockdown announcement and the closure of all schools as of 20 March 2020. In light of the pandemic, and the impact it has had on all sectors particularly for our charity and our schools, leadership within our schools are continuing to work towards establishing a solid structure that allows us to maintain parallel systems in future whereby if we were to face future lockdowns, our schools will be able to continue to provide a seamless teaching and learning experience to all our students.

Financial review

At the balance sheet date, the charity had net assets of £354,577 (2020: £237,758). The trustees consider the financial performance of the charity during the year to be satisfactory. The objective is for the charity and its school operations to be self-sufficient whilst maintaining a comfortable reserve for unforeseen circumstances such as COVID-19.

It is the policy of the charity that unrestricted funds which have not been designated for a specific purpose should be maintained at a level sufficient for three months of expenditure £409,140 (2020: £456,664) to enable the day-to-day activities of the charity. At the balance sheet date, the charity held reserves of £354,577 (2020: £237,758) of which £333,278 (2020: £216,459) were unrestricted. The trustees have noted that the year-end reserves are not in line with the current policy; this is under review by the trustees as they are considering the appropriate level of reserves required and the impact of future potential cost savings, particularly in light of COVID-19. The charity will seek further funding from its parent company if required should the reserves fall to near depletion.

Risk

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 are a significant reduction in student admissions which would directly impact on fee income, the school buildings becoming uninhabitable (e.g. due to damage) and a reduction in scholarship grants from the Yusuf Islam Foundation. These risks are managed through a concerted programme of media advertising and open days to attract students to our schools. Regular independent fire and risk assessments are carried out of the premises and a disaster recovery plan would be put into effect in the event the buildings become unavailable so that tuition can continue elsewhere and this is also mitigated by regular maintenance/renewals of £21,508 (2020: £18,755).

In light of COVID-19, the schools have considered the risks of being able to continue operations during the pandemic and the provision of education to students sent home or who are at risk from infection, including its staff. The schools are in constant communication with Public Health England and are reliant on their guidance and have progressed on a provision of online home learning for students and staff who cannot attend or in the event of another lockdown.

Plans for future periods

Plans for the Future

The trustees aim to maintain an ambitious yet affordable level of investment in Islamia Girls' School and Brondesbury College to enhance and expand the school facilities. School development plans for each school inform the next three academic years of progress. Both schools will continue to be supported by an independent school improvement adviser in preparation for the next Ofsted inspection. The trustees have set the schools challenging targets in terms of the performance management objectives for all teachers and students' achievements. Trustees are also assessing the ways in which the charity and schools are achieving value for money in terms of operational efficiency and the best possible outcomes for students. The parent entity, Yusuf Islam Foundation, continued to pursue plans and proposals during the year from architects for the development and consolidation of the school buildings. However there were practical delays in proceeding with appointing an architect due to certain inter-related legal matters that the Yusuf Islam Foundation was seeking to conclude in relation to its site. This matter continues to be reviewed.

Going Concern

The trustees have reviewed forecasts of student numbers and cashflows and considered budgets for a period of at least twelve months from the date of approval of these financial statements. As part of their review, the trustees have considered the impact of the recent COVID-19 pandemic and, along with the CEO, continue to revisit the potential impact on an ongoing basis. Consideration has been given to the fact that our schools rely on the payment of fees from families who could potentially be faced with a real impact on the loss of their jobs and/or their livelihood over time. The reduction of student numbers has been noted as a factor of the trustees' going concern assessment, but is forecast to be offset by budgetary savings on costs. Additionally, to facilitate in easing the financial burden on parents/guardians and increase the recoverability of fee income and cash, the schools amended the terms and conditions to allow greater flexibility to pay the fees over an extended period.

On this basis, they believe the charitable company has sufficient resources to continue to operate for a period of twelve months from the signing date of these accounts and so have adopted the going concern assumption.

Structure, governance and management

The charity is a company limited by guarantee and incorporated under the Companies Act 2006. The charity's governing documents are its Articles of Association. For the purposes of these accounts, all references will be made to the entity as a charity although it is also a company. The parent company of Islamia Schools Limited is the Yusuf Islam Foundation (Company Registration number: 07055355 and Charity Registration number 1134513) where the foundation works to achieve peace through educational, cultural and charitable projects and activities.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Miss Aminah Islam

Mrs Fawziah Islam

Mrs Asmaa Georgiou

The trustees are in regular communication and meet to discuss the objectives and day-to-day issues of the charity. A management structure is in place to provide controls and ensure the efficient and successful running of the charity. It is considered that at present the Board of Trustees has sufficient expertise and competence to govern and manage the charity. The charity may appoint additional trustees by ordinary resolution. Members of the company are entitled to receive notice of any resolution to be put to a general meeting to appoint a trustee. Any additional trustees, appointed in accordance with the Articles of Association, will be appointed if they are considered to add value to the existing skill set of the body of trustees. As a matter of routine, all trustees are checked through the Disclosure and Barring Service (DBS) which includes the Barred from Management Check relating to the management of an independent school. The DBS check for the Chair of Trustees, as the school proprietor, is carried out through the Department for Education.

Trustees maintain a good working knowledge of charity and company law and best practice. All trustees are provided with training in order to carry out their duties to the best of their abilities and in the best interests of the charity. An information pack was issued to each trustee containing internal reports, the latest Charity Commission guidance on a range of matters as well as updated editions of the charity's policies. This pack is routinely updated with new guidance. Professional development during the year at trustee and management level has been maintained in order to keep up to date with recent changes in legislation and adopting best practice within the charity. The Charity's senior managers are appraised by trustees who are not involved in the day to day running of the organisation. School headteachers continue to be appraised by independent external advisers.

During the year, the day-to-day management of the charity was delegated to the Chief Executive Officer. An Accounts Manager also forms part of the management team and meets the headteachers of each school monthly to assess school finances. A Scholarship Funding Board meets at least once a year to approve scholarship applications. The Chair of Trustees, as part of the proprietor body, meets the headteachers on a quarterly basis or more frequently as and when required.

The charity is wholly owned by the Yusuf Islam Foundation, a registered charity. Yusuf Islam Foundation prepares consolidated accounts and copies may be obtained from The Maqam Centre, Tiverton Road, London NW10. The Yusuf Islam Foundation prepares consolidated accounts for the largest and smallest of the group of undertakings.

Key Management Personnel Pay
The charity takes a responsible position on pay. The remuneration of all key personnel is determined with reference to publicly available data. The CEO of the school is remunerated through the parent charity, the Yusuf Islam Foundation.

Statement of trustees' responsibilities
The trustees, who are also the directors of Islamia Schools Limited for the purpose of company law, 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make 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; and

- 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Auditor
In keeping with the recommended practice that Auditors should rotate after a set period of time, Islamia Schools Limited put its audit out for tender following which the AMS Accountants Corporate Limited were successfully appointed. AMS Accountants Corporate Limited have expressed their willingness to take up office and will remain as Auditor unless a resolution is passed in future Annual General Meetings changing this status.

Disclosure of information to auditor
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

Fawziah Islam

Mrs Fawziah Islam
Trustee

22 November 2021

ISLAMIA SCHOOLS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF ISLAMIA SCHOOLS LIMITED

Opinion

We have audited the financial statements of Islamia Schools Limited (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2021 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 Companies Act 2006.

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

The trustees have reviewed forecasts of student numbers and cashflows and considered budgets for a period of at least twelve months from the date of approval of these financial statements. As part of their review, the trustees have considered the impact of the recent Covid-19 pandemic and, along with the CEO, continue to revisit the potential impact on an ongoing basis. Consideration has been given to the fact that our schools rely on the payment of fees from families who could potentially be faced with a real impact on the loss of their jobs and/ or their livelihood over time. The reduction of student numbers has been noted as a factor of the trustees' going concern assessment, but is forecast to be offset by budgetary savings on costs. The schools are now implementing cost saving measures by utilising human and teaching resources between both schools and seeking to renegotiate contractual deals with regular suppliers. Additionally, to facilitate in easing the financial burden on parents/guardians and increase the recoverability of fee income and cash, the schools amended the terms and conditions to allow greater flexibility to pay the fees over an extended period. In the event that future cashflow projections show potential restraints, the charity will seek to obtain additional funding through fundraising initiatives from the parent and the founder; however, the trustees are confident that the measures taken so far will not require them to do so.

On this basis, they believe the charitable company has sufficient resources to continue to operate for a period of twelve months from the signing date of these accounts and so have adopted the going concern assumption.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the Charity and the industry in which it operates, drawing on our broad sector experience, and considered the risk of acts by the Charity that were contrary to these laws and regulations, including fraud. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Charity Commission, Companies Act 2006, The Independent Schools Standards and equivalent local laws and regulations.

We made enquiries of management with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information, for example, minutes of the trustee meetings,legal reports provided to the Charity and correspondence between the Charity and its solicitors. Audit procedure performed by the engagement team included:

- Discussion with management, including consideration of known or suspected instances of noncompliance with laws and regulations and fraud;
- Review of financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates;

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters
The prior year audit was completed by Deloitte LLP and a unqualified opinion was issued.

Use of our report
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

AMS Accountants Corporate Ltd.

David Clegg (Senior Statutory Auditor)
for and on behalf of AMS Accountants Corporate Limited 22 November 2021

Chartered Accountants
Statutory Auditor

Floor 2
9 Portland Street
Manchester
M1 3BE

ISLAMIA SCHOOLS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations and legacies	3	-	39,156	39,156	-	56,224	56,224
Charitable activities	4	1,661,490	-	1,661,490	1,800,961	-	1,800,961
Other trading activities	5	52,736	-	52,736	-	-	-
Total income		1,714,226	39,156	1,753,382	1,800,961	56,224	1,857,185
Expenditure on:							
Charitable activities	6	1,597,407	39,156	1,636,563	1,791,730	34,925	1,826,655
Net income for the year/ Net movement in funds		116,819	-	116,819	9,231	21,299	30,530
Fund balances at 1 April 2020		216,459	21,299	237,758	207,228	-	207,228
Fund balances at 31 March 2021		333,278	21,299	354,577	216,459	21,299	237,758

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ISLAMIA SCHOOLS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	13		13,366		-
Current assets					
Debtors	14	382,121		25,620	
Cash at bank and in hand		932,720		1,066,449	
		1,314,841		1,092,069	
Creditors: amounts falling due within one year	15	(909,280)		(854,311)	
Net current assets			405,561		237,758
Total assets less current liabilities			418,927		237,758
Creditors: amounts falling due after more than one year	16		(64,350)		-
Net assets			354,577		237,758
Income funds					
Restricted funds			21,299		21,299
Unrestricted funds			333,278		216,459
			354,577		237,758

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

The financial statements were approved by the Trustees on 22 November 2021

Fawziah Islam

Mrs Fawziah Islam
Trustee

Company Registration No. 07055378

1 Accounting policies

Charity information

Islamia Schools Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 131b Salusbury Road, London, NW6 6RG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

As per the Trustees' report, the Trustees consider that the going concern assumption is an appropriate basis on which to prepare these financial statements.

The Trustees, having reviewed forecasts of student numbers and cash flows and considered budgets for a period of at least 12 month from the date of approval of these financial statements, believe the charity has sufficient resources to continue to operate for the foreseeable future and so have adopted the going concern assumption. As part of their review, the Trustees have considered the impact of the Covid-19 pandemic and, along with the CEO, continue to revisit the impact on a ongoing basis. Additional information of going concern is included in the Trustees' report.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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 Accounting policies **(Continued)**

1.4 Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations - These are received to aid the furtherance of the charitable activities of the charity.

From charitable activities - These relate to school fees receivable for the provision of educational services by The Islamia Girls' School and The Bondesbury College for Boys. Deferred income will be recognised on a proportional basis, calculated by reference to the portion of school fees invoiced in advance. Grant income is recognised as discussed above once the charity considers it has entitlement and probable receipt of that income and that the income is measureable.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on charitable activities include:

Costs in furtherance of charitable activities - these costs relate to directly attributable costs in pursuance of the charity's objective and an allocation of support costs.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include educational resources, back off costs, utilities, finance and governance costs which relate to strategic costs not directly attributable to charitable activities, including audit and legal advice and support of the charity's programmes and activities. These costs have been allocated to expenditure on charitable activities. Support costs are allocated based on the nature of the support cost (being governance or related to operational costs) and the area of charitable activities that they relate to; this allocation is not proportionate to the income generated from such activities. No support costs are allocated to fundraising or grant making on grounds of materiality.

Grants payable are recognised on a payable basis once the charity has provided a commitment to make charitable grant expenditure - this is normally on communication to the recipient. Grant are made at the discretion of the trustees on a case-by-case basis.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1 Accounting policies **(Continued)**

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 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.

1.11 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

	Restricted funds	Restricted funds
	2021	2020
	£	£
Donations and gifts	39,156	56,224

Donations of £39,156 (2020 - £56,224) were restricted in the current year.

4 Charitable activities

	Teaching 2021	**Teaching 2020**
	£	**£**
Teaching	1,661,490	1,800,961

5 Other trading activities

	Unrestricted funds	Total
	2021	2020
	£	£
Furlough income	52,736	-

6 Charitable activities

	Grant funding 2021 £	Teaching 2021 £	Total 2021 £	Grant funding 2020 £	Teaching 2020 £	Total 2020 £
Staff costs	-	1,171,370	1,171,370	-	1,236,506	1,236,506
Depreciation and impairment	-	3,342	3,342	-	-	-
	-	1,174,712	1,174,712	-	1,236,506	1,236,506
Grant funding of activities (see note 8)	99,156	-	99,156	124,925	-	124,925
Share of support costs (see note)	-	271,334	271,334	-	267,798	267,798
Share of governance costs (see note)	-	91,361	91,361	-	197,426	197,426
	99,156	1,537,407	1,636,563	124,925	1,701,730	1,826,655
Analysis by fund						
Unrestricted funds	60,000	1,537,407	1,597,407	90,000	1,701,730	1,791,730
Restricted funds	39,156	-	39,156	34,925	-	34,925
	99,156	1,537,407	1,636,563	124,925	1,701,730	1,826,655

7 Description of charitable activities

Share of support and governance costs

Support costs include expenditure for educational resources, as well as governance and running costs of the schools.

Governance costs relate to audit, legal and professional fees.

8 Grants payable

	Share of support and governance costs 2021 £	Share of support and governance costs 2020 £
Grants to institutions:		
Donations to Yusuf Islam Foundation	60,000	90,000
Grants to individuals	39,156	34,925
	99,156	124,925

9 Grant expenditure

Support costs related to scholarship grants fall under the promotional and grant work undertaken by YIF hence only direct cost have been allocated this activity.

10 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditor and associates:	**2021**	**2020**
	£	**£**
Audit of the charity's annual accounts	4,500	12,240

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and also no expenses were reimbursed in either current or prior year, nor paid on behalf of trustees by the charitable company in either current or prior year.

12 Employees

The average monthly number of employees during the year was:

	2021	**2020**
	Number	**Number**
Teaching staff	32	33
Administration	10	11
Security	3	3
Total	45	47

Employment costs	**2021**	**2020**
	£	**£**
Wages and salaries	1,059,624	1,121,655
Social security costs	85,337	87,131
Other pension costs	26,409	27,720
	1,171,370	1,236,506

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2021	**2020**
	Number	**Number**
£60,000 - £100,000	1	-

13 Tangible fixed assets

	Fixtures, fittings & equipment
	£
Cost	
Additions	16,708
At 31 March 2021	16,708
Depreciation and impairment	
Depreciation charged in the year	3,342
At 31 March 2021	3,342
Carrying amount	
At 31 March 2021	13,366

14 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	330,012	11,022
Amount owed by parent undertaking	32,709	-
Other debtors	7,019	10,169
Prepayments and accrued income	12,381	4,429
	382,121	25,620

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		27,120	29,050
Deferred income	17	672,516	558,499
Trade creditors		63,790	134,971
Amount owed to parent undertaking		-	6,332
Other creditors		138,438	111,189
Accruals and deferred income		7,416	14,270
		909,280	854,311

16 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other creditors	64,350	-

17 Deferred income

	2021	2020
	£	£
Other deferred income	672,516	558,499

18 Analysis of net assets between funds

	Unrestricted funds 2021	Restricted funds 2021	Total 2021	Unrestricted funds 2020	Restricted funds 2020	Total 2020
	£	£	£	£	£	£
Fund balances at 31 March 2021 are represented by:						
Tangible assets	13,366	-	13,366	-	-	-
Current assets/ (liabilities)	384,262	21,299	405,561	216,459	21,299	237,758
Long term liabilities	(64,350)	-	(64,350)	-	-	-
	333,278	21,299	354,577	216,459	21,299	237,758

19 Related party transactions

The exemption available under FRS 102 section 33 from disclosing transactions between the Charity and group companies has been taken.