



AL FURQAN EDUCATIONAL TRUST
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2015

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COMPANIES HOUSE

EDEN CURRIE LIMITED
CHARTERED ACCOUNTANTS

AL FURQAN EDUCATIONAL TRUST

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FOR THE YEAR ENDED 31 AUGUST 2015

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AL FURQAN EDUCATIONAL TRUST

CHARITY INFORMATION

FOR THE YEAR ENDED 31 AUGUST 2015

TRUSTEE

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

REGISTERED NUMBER:

08591845 (England & Wales)

CHARITY REGISTERED NUMBER:

1153025

REGISTERED OFFICE:

279 Formans Road
Tyseley
Birmingham
West Midlands
B11 3BZ

WEBSITE ADDRESS:

www.afet.co.uk

INDEPENDENT EXAMINERS:

Eden Currie Limited
Chartered Accountants
Pegasus House
Solihull Business Park
Solihull
B90 4GT

BANKERS:

HSBC
34 Poplar Road
Solihull
West Midlands
B91 3AF

AL FURQAN EDUCATIONAL TRUST**TRUSTEES' REPORT****FOR THE YEAR ENDED 31 AUGUST 2015**

The trustees present their report with the financial statements for the period ended 31 August 2015.

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 trustees who served during the period were:

Mr A Ahmed

Ms Z Ahmed (resigned on 10 August 2015)

Ms R Ahmed Mpharm

Ms Z Hussain MSc BSc (Hons) PGCE

Mr D Donnelly (resigned on 14 April 2014)

Mr I Mehboob (appointed on 3 November 2014 and resigned on 12 August 2015)

Dr H Ramezanzadeh (resigned on 10 August 2015)

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 2015
(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.

Our Schools

Al-Furqan Educational Trust is the Religious Authority for the following educational institutions:
Al-Furqan Community College - Independent Secondary School for Girls
Al-Furqan Community College (Boys) - Independent Secondary School for Boys
Al-Furqan Primary School - Voluntary Aided School. The first state funded Islamic school in the UK
Reddings Lane Nursery - Independent Day Nursery
MahmudSabir Masjid - Mosque for the students of Al-Furqan and the community

Financial Achievements, Performance and Activities

The financial statements on pages seven to twelve have been prepared under the requirements of the Statement of Recommended Practice 2005 – Accounting by Charities.

The Statement of Financial Activities disclosed on page seven of the accounts reveals net outgoing resources for the year of £10,899 (2014: incoming resources for the period of £462,948).

The Charity incurred legal and professional fees totalling £23,789 which have significantly contributed to the Charity's result for the year. The fees incurred related to costs associated to negotiating with the occupier of the Charity's freehold buildings.

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.

AL FURQAN EDUCATIONAL TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015
(continued)

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 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;
- 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's examiner is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the examiner is aware of that information.

Approved by the trustees on 1 May 2016 and signed on their behalf by



Mr A Ahmed
Trustee

**REPORT OF THE INDEPENDANT EXAMINERS TO
THE MEMBERS OF AL FURQAN EDUCATIONAL TRUST
FOR THE YEAR ENDED 31 AUGUST 2015**

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

I report on the accounts of the company for the year ended 31 August 2015 which are set out on pages seven to twelve.

Respective responsibilities of trustees 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 year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

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;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- 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 out in the statement below.

**REPORT OF THE INDEPENDENT EXAMINERS TO
THE TRUSTEES OF AL FURQAN EDUCATIONAL TRUST
FOR THE YEAR ENDED 31 AUGUST 2015
(continued)**

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, 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 Charitieshave not been met; or
- 2 to which, in my opinion, attention should be drawn 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
Pegasus House
Solihull Business Park
Solihull
B90 4GT

1 May 2016

AL FURQAN EDUCATIONAL TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2015	Total Funds 01.07.2013 to 31.08.2014
		£	£	£	£
Incoming resources from generated funds					
Voluntary income					
Donations	2	85	108,877	108,962	490,318
Charitable Activities					
Rental income	3	61,457	-	61,457	-
Total incoming resources		<u>61,542</u>	<u>108,877</u>	<u>170,419</u>	<u>490,318</u>
Resources expended					
Charitable activities					
Direct charitable expenditure	4	67,101	108,877	175,978	24,070
Governance costs	5	5,340	-	5,340	3,300
Total resources expended		<u>72,441</u>	<u>108,877</u>	<u>181,318</u>	<u>27,370</u>
Net movement in funds during the period		(10,899)	-	(10,899)	462,948
Unrealised gains on assets for charity use		-	-	-	3,884,500
Total funds brought forward		4,347,448	-	4,347,448	-
Total funds carried forward	11-12	<u>4,336,549</u>	<u>-</u>	<u>4,336,549</u>	<u>4,347,448</u>

AL FURQAN EDUCATIONAL TRUST (COMPANY NUMBER 8591845)

BALANCE SHEET

AS AT 31 AUGUST 2015

	Note	2015	2014
		£	£
Fixed assets			
Tangible assets	7	4,335,760	4,345,570
Current assets			
Cash at bank and in hand		379	7,518
Debtors falling due within one year	9	65,665	-
		66,044	7,518
Liabilities			
Creditors falling due within one year	10	(65,255)	(5,640)
Net current assets		789	1,878
Net assets		<u>4,336,549</u>	<u>4,347,448</u>
The funds of the Charity			
Unrestricted funds (includes revaluation reserve of £3,884,500)	11-12	4,336,549	4,347,448
		<u>4,336,549</u>	<u>4,347,448</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

For the period ending 31 August 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' 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 by the trustees on 1 May 2016 and were signed on its behalf by:



Mr A Ahmed -Trustee

AL FURQAN EDUCATIONAL TRUST**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2015****1. Accounting Policies****a) Basis of Preparation**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The charity has availed itself of Paragraph 4(1) of Schedule 1 of the Small Companies and Groups (Accounts and Directors Report) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's activities.

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.

d) Incoming Resources

All incoming resources are 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.

e) Resources Expended

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 ACCOUNTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

1. Accounting Policies (Continued...)

g) Tangible fixed assets and depreciation

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

Freehold property - 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. Grants and donations	Unrestricted	Restricted	Total 2015	Total 01.07.13 to 31.08.14
	£	£	£	£
Donations	85	108,877	108,962	21,070
Donated net assets	-	-	-	469,248
	<u>85</u>	<u>108,877</u>	<u>108,962</u>	<u>490,318</u>

3. Direct charitable income	Unrestricted	Restricted	Total 2015	Total 01.07.13 to 31.08.14
	£	£	£	£
Rental income	61,457	-	61,457	-
	<u>61,457</u>	<u>-</u>	<u>61,457</u>	<u>-</u>

AL FURQAN EDUCATIONAL TRUST

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

4. Direct charitable expenditure	Unrestricted	Restricted	Total 2015	Total 01.07.13 to 31.08.14
	£	£	£	£
Insurance	8,650	-	8,650	-
Repairs and renewals	31,854	38,280	70,134	-
Rental income repaid	-	62,915	62,915	-
Bank charges	30	-	30	-
PR consultancy	650	-	650	-
Legal and professional fees	16,107	7,682	23,789	14,260
Depreciation	9,810	-	9,810	9,810
	<u>67,101</u>	<u>108,877</u>	<u>175,978</u>	<u>24,070</u>
5. Governance costs	Unrestricted	Restricted	Total 2015	Total 01.07.13 to 31.08.14
	£	£	£	£
Accountancy	2,340	-	2,340	2,340
Legal and professional fees	3,000	-	3,000	960
	<u>5,340</u>	<u>-</u>	<u>5,340</u>	<u>3,300</u>
6. Analysis of Total Resources Expended	Staff costs	Other	Depreciation	Total 2015
	£	£	£	£
Direct charitable expenditure	-	166,168	9,810	175,978
Governance costs	-	5,340	-	5,340
	<u>-</u>	<u>171,508</u>	<u>9,810</u>	<u>181,318</u>

AL FURQAN EDUCATIONAL TRUST
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

7. Tangible Fixed Assets

	Freehold Property £	Total £
Cost/Valuation		
As at 1 September 2014 and At 31 August 2015	<u>4,355,380</u>	<u>4,355,380</u>
Depreciation		
At 1 September 2014	9,810	9,810
Charge for the period	<u>9,810</u>	<u>9,810</u>
At 31 August 2015	<u>19,620</u>	<u>19,620</u>
Net Book Value		
At 31 August 2015	<u>4,335,760</u>	<u>4,335,760</u>
At 31 August 2014	<u>4,345,570</u>	<u>4,345,570</u>

Freehold property was valued on an open market basis on 19 June 2013 at £4,375,000 by Pennycuik Collins Chartered Surveyors.

The freehold property was acquired on 2 July 2002 and the cost at that date was £490,500.

8. Trustees Emoluments

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

9. Debtors: amounts falling due within one year

	2015 £	2014 £
Donations due	63,000	-
Prepayments	<u>2,665</u>	<u>-</u>
	<u>65,665</u>	<u>-</u>

10. Creditors: amounts falling due within one year

	2015 £	2014 £
Rent refund due	62,915	-
Accruals	<u>2,340</u>	<u>5,640</u>
	<u>65,255</u>	<u>5,640</u>

AL FURQAN EDUCATIONAL TRUST
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

11. Analysis of Net Assets between funds

	Fixed assets costs £	Fixed assets revaluation £	Net current assets £	Total 2015 £
Unrestricted funds	451,260	3,884,500	789	4,336,549
	<u>451,260</u>	<u>3,884,500</u>	<u>789</u>	<u>4,336,549</u>

12. Restricted Funds

The restricted funds represent amounts given to the charity in support of individual appeals and can only be used in accordance with the terms of the donation.

	Balance at 1 September 2014 £	Incoming Resources £	Resources Expended £	Balance at 31 August 2015 £
Movement in Funds:				
Refund of rental	-	62,915	(62,915)	-
Repair work	-	38,280	(32,280)	-
Legal and professional fees	-	7,682	(7,682)	-
	<u>-</u>	<u>108,877</u>	<u>(108,877)</u>	<u>-</u>

Description of Fund:

Refund of rental	The Charity's trustees donated funds to the Charity to facilitate repayment of all rental income received in the year.
Repair Work	The Charity's trustees donated funds to contribute towards the necessary repair work undertaken at the Charity's freehold buildings.
Legal and professional fees	The Charity's trustees donated funds to contribute towards legal and professional fees.

13. Related Party Transactions and Trustees' Remuneration

During the year the Charity received donations totalling £108,962 (2014: £8,700) from the Charity's trustees. £45,962 was paid prior to 31 August 2015 and £63,000 was paid in November 2015.