

DARUL ULOOM SCHOOL (LONDON)

Trustees Report and Accounts

for the year ended 31 July 2020

Registered Charity No: 1043305

Pearlman Rose

Chartered Accountants

39-40 Skylines Village

Limeharbour, Docklands

London E14 9TS

DARUL ULOOM SCHOOL (LONDON)

Information

Trustees	I V A Maljee U H Patel M Khan Y K Zaman T Hussain
Charity No	1043305
Charity offices	Foxbury Avenue Off Perry Street Chislehurst BR7 6SD
Accountants	Pearlman Rose Chartered Accountants 39-40 Skylines Village Limeharbour, Docklands London E14 9TS
Bankers	NatWest Bank plc 87 High Street Sidcup DA14 6DL

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Trustees' Report for the year ended 31 July 2020

(Registered Charity Number: 1043305, Registered Office: Foxbury Avenue, Off Perry Street, Chislehurst, Kent, BR7 6SD)

The trustees present their report and accounts for the year ended 31st July 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the charity's trust deed, the Charities Act 2011, provisions of 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 2015).

Trustees

The trustees who acted during the year were as follows:

I V A Maljee

U H Patel

A H V Patel (Resigned 16th November 2020)

A A Ghiwala (Resigned 16th November 2020)

M A Yusuf (Resigned 16th November 2020)

I Patel (Resigned 16th November 2020)

M Khan (Appointed 8th November 2020)

Y K Zaman (Appointed 3rd December 2020)

T Hussain (Appointed 8th April 2021)

The Trust Deed of the charity governs the appointment of trustees. The board of trustees is authorised to appoint new trustees to fill vacancies arising through resignation or death of an existing trustee.

Investment Powers

The Trust Deed authorises the trustees to make and hold investments using the general funds of the charity. The trustees are responsible for the selection and disposition of investment and for obtaining advice. Currently the general funds of the charity are held and transferred to and from a bank deposit account.

Constitution, objects and policies

The Darul Uloom School (London) is constituted by a Trust Deed and its objects are to provide and maintain a school to teach and otherwise educate young persons in the doctrines and practices of the Islamic religion and in general. The policy of the school continues to be of inviting contributions from any person or persons by way of contributions towards fees, voluntary donations, deed of covenants and zakat contributions.

Development, Review of Activities and Plans for future periods

The year under review has continued to be that of rebuilding the trust and confidence of the local community. The return of the funds which were seized by the authorities following a previous POCA enquiry and the conclusion of the review of the Charity Commission. The school has seen an increase in student numbers which is evidenced by the increase in Charitable activities to £403,298 (2019 £307,525). The charity raises funds mainly from fees and donations and during the year it had on average 134 students (2019: 115). As a result of this and the furlough grants (referred to below) received, the deficit for the year was restricted to £48,136 (2019 £184,873). To further reduce this the Trustees have decided to increase the annual fee contribution recoverable from parents to £3,500 (2019/20 £3,000).

Trustees' Report for the year ended 31 July 2020....continued

The Trustees consider that under the circumstances especially after taking into account the adverse effects of the Covid-19 pandemic (referred to in more detail below) the performance of the charity this year has been satisfactory.

Further procedural improvements were implemented during the year which were recognised by Ofsted during their inspection in January 2020. Their conclusion was that "the school meets all of the independent school standards that were checked during this inspection." Their full report is available both on the school and Ofsted websites.

The Trustees are grateful for the continued support given by the management and staff and the work of both the existing and new Trustees which has enabled the charity to further its objectives. Furthermore, the Trustees extend their appreciation to those who have contributed towards the costs of running the charity and to the members of the local community who continue to support it by providing invaluable professional services on a voluntary basis. All these efforts have combined to make the charity a success. The Trustees are happy to report that sufficient funds are available to enable the Charity to continue its operations in the medium term.

Reserve Policy

The trustees will continue to maintain sufficient levels of reserves to cover the charity's obligations by ensuring that there are operating surpluses in the future and by general purpose appeals from time to time.

Impact of the Covid-19 pandemic

The development of the school was severely hampered by the effects of the unforeseen COVID-19 pandemic and the consequent lockdown imposed by the government. Unfortunately, this pandemic continues to hinder the schools efforts to further improve the performance of the school.

As a direct result of this pandemic, the school was required to be closed from 23 March 2020 to 31 August 2020. This also meant that the congregational prayers and other physical in-person activities were cancelled. Despite this the voluntary donations increased to £13,721 (2019 £6,482).

The Coronavirus Job Retention Scheme (CJRS) enabled the school to furlough several members of the staff which provided financial security to those staff members. Without this facility the overall deficit of Income would have been substantially higher. In contrast with other small businesses, the Charity was not entitled to any other government grants. With the social distancing restrictions eased the school re-opened on 1st September 2020, after a full and detailed risk assessment was carried out and several precautionary procedures were put in place. The school was once again unable to reopen after December 2020 holidays due to the government guidelines, however was able to reopen with a system of LFD rapid testing on 8th March 2021. These measures were implemented to ensure the safety of the students, the teachers and other members of the staff. This has enabled the charity to continue to further its objectives. Any new increases in operational costs, as a result, of the coronavirus pandemic will be reflected in the next reporting period.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Trustees' Report for the year ended 31 July 2020....continued

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of the incoming resources and application of resources, of the charity 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 applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice 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 accounting records that disclose with reasonable accuracy the financial position of the charity that enables them to ascertain the financial position of the charity and to ensure that the financial statements comply with Charities Act 2011, and the provisions of the trust deed. 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 responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approval

This report was approved by the trustees on 21 May 2021 and signed on their behalf by



M Khan
Trustee

Independent Examiner's Report to the trustees of Darul Uloom School (London)

I report to the charity trustees on my examination of the financial statements of Darul Uloom School (London) ('the charity') for the year ended 31 July 2020.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no material 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 charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



Mohammad Jilani FCA
Independent Examiner

Date: 27 May 2021

Pearlman Rose
Chartered Accountants
39-40 Skylines Village
Limeharbour, Docklands
London
E14 9TS

DARUL ULOOM SCHOOL (LONDON)

**Statement of Financial Activities
for the year ended 31 July 2020**

		Unrestricted Funds	
	Notes	2020	2019
		£	£
Income and endowments			
Donations and legacies		97,750	6,482
Charitable activities		403,928	307,525
Investments		8	-
Total income	2	<u>501,686</u>	<u>314,007</u>
Expenditure			
Charitable activities		549,822	498,880
Total expenditure	3	<u>549,822</u>	<u>498,880</u>
Net incoming/(expenditure) for the year		(48,136)	(184,873)
Total funds brought forward		1,862,169	2,047,042
Total funds carried forward		<u>1,814,033</u>	<u>1,862,169</u>

There were no recognised gains or losses for the two years other than those included in the statement of financial activities.

DARUL ULOOM SCHOOL (LONDON)

**Statement of Financial Position
as at 31 July 2020**

		2020		2019	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	5		1,370,250		1,417,017
Current Assets					
Stock of books & stationery	6	1,860		1,620	
Debtors	7	2,090		-	
Cash at bank and in hand		447,444		482,943	
		451,394		484,563	
Current Liabilities					
Other creditors & accruals	8	7,611		39,411	
		7,611		39,411	
Net Current Assets			443,783		445,152
Total Assets less Current Liabilities			1,814,033		1,862,169
Capital Account					
Unrestricted funds			1,814,033		1,862,169

Approved by the trustees on 21 May 2021 and signed on their behalf by



M Khan
Trustee

The notes on pages 8 to 12 form part of these accounts

DARUL ULOOM SCHOOL (LONDON)

**Statement of Cash Flows
for the year ended 31 July 2020**

	2020	2019
	£	£
Cash flows from operating activities		
Net income/(expenditure)	(48,136)	(184,873)
Adjustments for:		
Depreciation charges	46,767	49,960
(Increase)/decrease in stocks	(240)	(153)
(Increase)/decrease in debtors	(2,090)	
Increase/(decrease) in creditors	(31,800)	(8,559)
Net cash from/(used in) operating activities	<u>(35,499)</u>	<u>(143,625)</u>
Cash flow from investing activities:		
Purchase of tangible fixed assets	-	(5,545)
Net cash used in investing activities	<u>-</u>	<u>(5,545)</u>
Change in cash and cash equivalents in the reporting period	(35,499)	(149,170)
Cash and cash equivalents at the beginning of the reporting period	482,943	632,113
Cash and cash equivalents at the end of the reporting period	<u>447,444</u>	<u>482,943</u>

The notes on pages 8 to 12 form part of these accounts

**Notes to the accounts
for the year ended 31 July 2020**

1. Accounting Policies

Accounting convention & basis of preparation

These accounts have been prepared under the historic cost convention (except that investments are shown at market value) 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 2015) and in accordance with the Charities Act 2011.

Incoming Resources: Recognition of incoming resources

These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- the trustees are virtually certain they will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Incoming Resources: Incoming resources with related expenditure

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SoFA.

Incoming Resources: Grants and donations

Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources.

Incoming Resources: Tax reclaims on donations and gifts

Incoming resources from tax reclaims are included in the SoFA at the same time as the gift to which they relate.

Incoming Resources: Contractual income and performance related grants

This is only included in the SoFA once the related goods or services have been delivered.

Incoming Resources: Gifts in kind

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised. Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity. Gifts in kind for use by the charity are included in the SoFA as incoming resources when receivable.

Incoming Resources: Donated services and facilities

These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

Incoming Resources: Volunteer help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

**Notes to the accounts
for the year ended 31 July 2020**

Incoming Resources: Investment income

This is included in the accounts when receivable.

Expenditure and Liabilities: Liability recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Expenditure and Liabilities: Governance costs

Include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and cost of any legal advice to trustees on governance or constitutional matters.

Expenditure and Liabilities: Grants with performance conditions

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Expenditure and Liabilities: Grants payable without performance conditions

These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the charity without further specified purpose and are available as general funds. Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds

Restricted funds are funds subject to specific trusts, which may be declared by the donor(s) or with their authority (e.g. in a public appeal) or created through legal process, but still within the wider objects of the charity. Restricted funds may be restricted income funds, which are spent at the discretion of the trustees in furtherance of some particular aspect(s) of the objects of the charity, or they may be endowment funds, where the assets are required to be invested, or retained for actual use, rather than spent.

Assets: Tangible fixed assets for use by charity

These are capitalised if they can be used for more than one year, and cost at least £500. They are valued at cost or a reasonable value on receipt.

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

Freehold land & buildings	2% Straight line method
Equipment	25% Reducing balance method

Assets: Stocks and work in progress

These are valued at the lower of cost or market value.

**Notes to the accounts
for the year ended 31 July 2020**

Pensions

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Taxation

The charity is exempt from tax on its charitable activities.

2. Analysis of income

	2020	2019
	£	£
2.1 Donations and legacies		
Voluntary donations	13,721	6,482
Government grants - CJRS	84,029	-
Total	97,750	6,482

	2020	2019
	£	£
2.2 Income from charitable activities		
Contributions by parents towards costs	403,928	307,525
Total	403,928	307,525

	2020	2019
	£	£
2.3 Income from Investments		
Bank interest	8	-
Total	8	-

3. Analysis of expenditure

		2020	2019
		£	£
Charitable activities costs			
Support costs	3.1	529,572	467,070
Governance costs	3.2	20,250	31,810
Total		549,822	498,880

DARUL ULOOM SCHOOL (LONDON)

**Notes to the accounts
for the year ended 31 July 2020**

3.1 Analysis of support costs

	2020	2019
	£	£
Stock adjustment	(240)	(153)
Wages and salaries	305,430	231,161
Examination and educational expenses	37,787	24,700
Food and catering	30,796	40,132
Rates	21,847	21,919
Insurance	1,147	638
Light and heat	20,221	22,916
Cleaning and laundry	8,376	7,971
Repairs and maintenance	49,317	59,698
Printing, postage and stationery	1,059	955
Books and magazines	168	139
Telephone and fax	2,022	1,257
Travelling	455	984
Staff training	787	396
Depreciation – Freehold, fixtures & equipment	46,767	49,960
Computer and software maintenance	891	410
Subscriptions	2,692	3,966
Sundry expenses	50	21
Total	<u>529,572</u>	<u>467,070</u>

3.2 Analysis of governance costs

	2020	2019
	£	£
Legal & professional	15,810	27,370
Accountancy fees	4,440	4,440
Total	<u>20,250</u>	<u>31,810</u>

DARUL ULOOM SCHOOL (LONDON)

**Notes to the accounts
for the year ended 31 July 2020**

4	Employee emoluments	2020	2019
		£	£
	Wages and salaries	300,244	229,801
	Social security costs (Employers NIC)	3,266	262
	Staff pension costs	1,920	1,098
		<u>305,430</u>	<u>231,161</u>
		<u>38</u>	<u>38</u>

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

Trustees remuneration and expenses

There were no remuneration or benefits paid to the Trustees or persons connected to them during the year.

5. Tangible assets for use by charity

	Land and Buildings freehold	Equipment	Total
	(Assets used directly for charitable purposes)		
	£	£	£
Cost			
At 1 August 2019	1,859,283	285,203	2,144,486
Additions	-	-	-
At 31 July 2020	<u>1,859,283</u>	<u>285,203</u>	<u>2,144,486</u>
Depreciation			
At 1 August 2019	480,590	246,879	727,469
Charge for the year	37,186	9,581	46,767
At 31 July 2020	<u>517,776</u>	<u>256,460</u>	<u>774,236</u>
Net book Values			
At 31 July 2020	<u>1,341,507</u>	<u>28,743</u>	<u>1,370,250</u>
At 31 July 2019	<u>1,378,693</u>	<u>38,324</u>	<u>1,417,017</u>

DARUL ULOOM SCHOOL (LONDON)

**Notes to the accounts
for the year ended 31 July 2020**

6. Stocks	2020	2019
	£	£
Stock of books and stationery	1,860	1,620
	<u> </u>	<u> </u>
7. Current Assets	2020	2019
	£	£
Sundry debtors and prepayments	2,090	-
	<u> </u>	<u> </u>
	2,090	-
	<u> </u>	<u> </u>
8. Current Liabilities	2020	2019
	£	£
Sundry creditors and accruals	7,611	39,411
	<u> </u>	<u> </u>
	7,611	39,411
	<u> </u>	<u> </u>
9. Net Movement in funds for the year	2020	2019
	£	£
The net movement in funds for the year is stated after charging:		
Depreciation of tangible fixed assets used by charity	46,767	49,960
Accountancy fees	4,440	4,440
	<u> </u>	<u> </u>
10. Unrestricted funds: Movement in the year	2020	2019
	£	£
Balance brought forward	1,862,169	2,047,042
Income	501,686	314,007
Expenditure	(549,822)	(498,880)
	<u> </u>	<u> </u>
Total funds carried forward	1,814,033	1,862,169
	<u> </u>	<u> </u>