

REGISTERED COMPANY NUMBER: 03303521 (England and Wales)

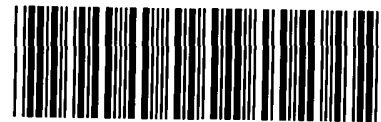
Company Limited by Guarantee

REGISTERED CHARITY NUMBER: 1061120

**Report of the Trustees and
Financial Statements for the Year Ended 31 August 2016
for**

Al-Noor Foundation Limited

WEDNESDAY



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10/05/2017

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COMPANIES HOUSE

**Prestons & Jacksons Partnership LLP
364 - 368 Cranbrook Road
Ilford
Essex
IG2 6HY**

Al-Noor Foundation Limited

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The trustees of Al-Noor Foundation present this annual report and audited accounts for the year 1st September 2015 to 31st August 2016 and confirm they comply with the requirements of the charities Act 2011, Companies Act 2006, the provisions of the Foundation Deed and Charities SORP.

Objectives and activities

Al-Noor Foundation Vision:

“Individuals, families and communities that truly understand and accept their purpose of being in this world, who confidently live and work together for a just, responsible and compassionate society”

Our aims

The objects of the school are to establish, maintain and conduct a school for the education (including social and physical training) of boys and girls, (in which religious instructions in accordance with the doctrines and principles of the Islamic faith are given), so as to be a school within the meaning of that expression as defined in The Education Act.

Our objectives

The School aims to provide moral and academic excellence in a caring and secure environment. We believe that through the partnership of good governance, dedicated staff and caring parents we can provide a balanced opportunity for the realisation of our children’s full potential.

Our school values prevail through everything we do: in the moral, the academic and the professional. These values foster a responsible and caring attitude in our pupils, towards the fellow members of our community and society at large. This includes good manners and behaviour towards parents, the elderly and neighbours, as well as a deep respect and sense of duty towards the world we inhabit and the resources from which we all benefit.

Al-Noor Primary School provides a sound Islamic education together with the National Curriculum. Our curriculum aims to equip children with a solid foundation to prepare them both for secondary school education and their lives ahead.

Al-Noor Foundation seeks to benefit the public through the pursuit of its stated aims. Our fees are set at an affordable and reasonable level to ensure the financial viability of the school and at a level that is consistent with our aim of providing an excellent education to our pupils.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our School will be able to educate and develop a prospective pupil to the best of their potential. Entrance interviews are undertaken to satisfy ourselves that parents share our broad aims, vision, values and objectives with regard to primary school education.

An individual’s economic status, gender, ethnicity, or race, do not form part of our assessment processes.

The school is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment. Parents are given regular information about their children’s social and academic progress through parent evenings in addition to the end of term and year reports. The school has regular weekly updates communicated about the activities of the school with parents.

Strategies

The Al-Noor Foundation believes that the success of our community inherently lies in the achievement of our children. We feel strongly that real academic progress is founded on a secure platform of all-round healthy development and aided by positive role models who embody the values we aspire our children to have.

This all-round development includes both the intellectual and physical aspect of emotional and spiritual development. We believe promoting these aspects of humanity will catalyse community cohesion, helping to create and sustain communities where all members are valued and work together for the common good.

Our aim is to promote a caring, secure and nurturing environment – instilling a strong sense of awareness of the universality of the Islamic faith. We will empower children with the desire to learn about and celebrate diversity through each other's experiences, achievements and contributions to the local community and through a focus on the common good for all.

Our contribution to society and social cohesion is well recognised due to our successful work with the local authority, local schools and the local community groups.

Management

The Trustees of Al-Noor Independent School hold overall responsibility under the rules for controlling the management and administration of the charity. Al-Noor Foundation Ltd is a company limited by guarantee and registered with Companies House.

Trustees are nominated and appointed by the Board of Trustees. To be eligible, the Board of Trustees will look for those who regularly attend events and functions organised by the Foundation and show an interest in and volunteer to help during activities. Trustees are valuable assets for the charity because they bring an outside viewpoint and a wealth of experience and knowledge in community work.

The trustees are independent individuals who bring their knowledge, skills and expertise for the benefit of the charity. They act as a watchdog over the Charity's activities and provide constructive advice.

The management of the organisation is the responsibility of the trustees who meet formally at fortnightly intervals. The day-to-day management of different departments, such as the Primary School, is then delegated to their respective manager, supported by senior teachers and administrative staff.

Organisational Management

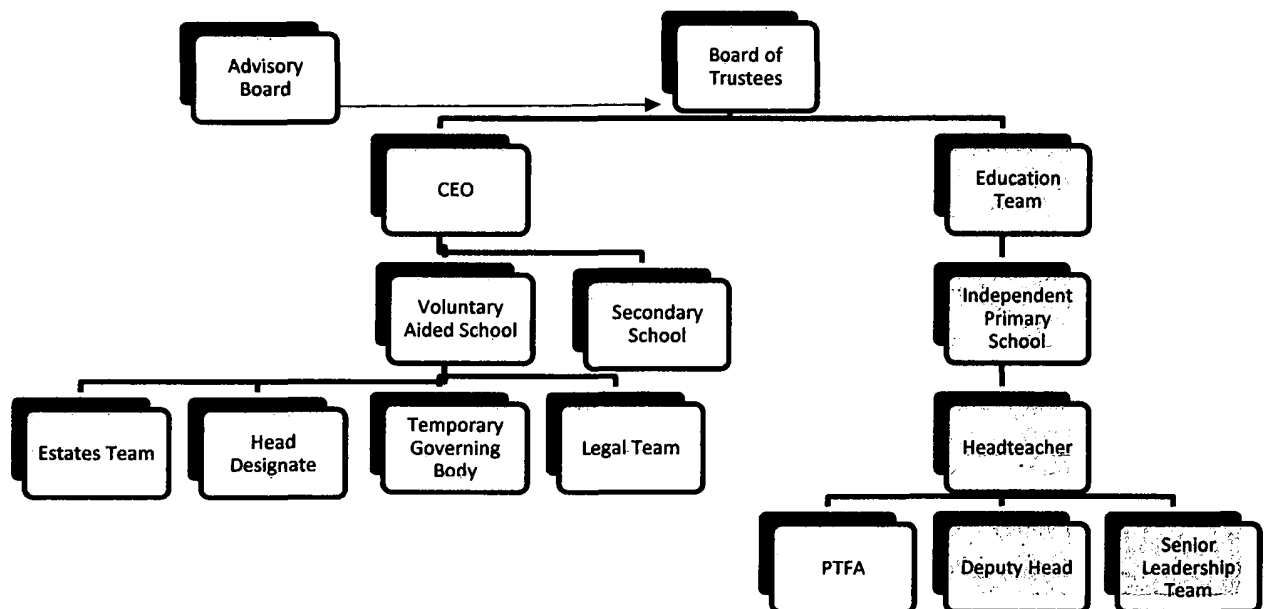
The trustees of Al-Noor play two general roles within Al-Noor foundation. The first is to oversee the charity and its wider objectives of achieving its vision. In this area, the board has focused on securing:

- a) The Voluntary Aided status for Al-Noor Primary school – Al-Noor Foundation has been successful in its application for the first Voluntary Aided Muslim School in Redbridge. This landmark achievement will lead to a new school being built, increasing the capacity from 180 students to 420 students. The demolition and construction of the site is scheduled to commence in final quarter of 2016 and is managed completely by the local authority. The new Voluntary Aided school is expected to open in September 2018.
- b) The Newton Industrial Estate was purchased on August 14th, 2015 with a view of fulfilling two purposes:

i) The first was to provide an alternative relocation for 180 children in the Al-Noor Primary school. Whilst the demolition and re-construction of the Green Lane site takes place, Al-Noor wanted to continue providing its education to its existing primary school students. This relocation, for approximately 18 months, will ensure that we are able to complete the education of our existing students up until the time that they move to a secondary school.

ii) The establishment of a secondary school. The Secondary school will help to fulfil the vision of the Foundation and continue the very special work that is undertaken in the character development of the next generation.

The second area of focus is governance of the primary school. The focus is on the development of our pupils, their continued high levels of academic and co-curricular achievement and to further widen access to the education our School provides.



In taking forward our strategy we:

- Ensure the vision and values of our organisation is reflected in our primary school
- Review and benchmark the School's curriculum, teaching practices and examination results
- Ensure the school is compliant to the Independent School Standard regulations
- Ensure the range of co-curricular activities available to our pupils is stimulating and challenging
- Invest in resources and the infrastructure of our School

The Board determine the general policy of the School. The day to day running of the School is delegated to the Head, supported by senior staff. The Head teacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of the school is undertaken within the policies and procedures approved by the board which provide for only significant expenditure decisions and major capital projects to be referred to the Board for prior approval.

The trustees are clear about their responsibility of overseeing the safeguarding of children within the school. Trustees have attended level 1 safeguarding training and have attended workshops to raise awareness of Prevent (Wrap). Al-Noor foundation is committed to building resilience to all forms of radicalisation and extremism.

All trustees are annually required to sign a declaration of interest form to declare affiliation to any other organisation or political party. All trustees give of their time freely and no remuneration was paid in the year.

Use of volunteers

Volunteers are an important resource in both our faith and community work. Volunteers are involved in most of our faith and community activities and we have scores of dedicated people giving their time towards our activities.

Public Benefit Statement

The trustees confirm that they have complied with the duty under the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit. This has been considered when reviewing the aims and objectives of Al-Noor Foundation and in planning activities for the future. In particular, the trustees consider how planned activities will contribute to the charitable objectives they have set. Specific details of how Al-Noor meets these requirements are set out below.

The Trustees have considered this matter and concluded: That the aims and objectives of the charity continue to be charitable; That the aims and the work done give identifiable benefits to the charitable sector and both directly and indirectly to individuals in need; That the benefits are for the public and are not unreasonably restricted in any way; and that there is no detriment or harm arising from the aims or activities. Overall, the trustees consider that the strategies, aims and activities of the Charity to be for the public benefit

Objectives and activities

“Individuals, families and communities that truly understand and accept their purpose of being in this world, confidently live and work together for a just, responsible and compassionate society”

Al-Noor was launched in 1998 with a vision of making a positive change in our community. As local residents growing up in London, we wanted to give something back to our community. We wanted to make a positive change, to invest in our future generation by imbedding core values such as kindness, respect, compassion and good character.

Our strategy is to unlock the amazing potential within people, starting at the youngest of ages, with Al-Noor Primary School. We believe our balanced education of primarily good character, along with academic excellence provides a holistic education for the future citizens of our community.

We hold 4 values very dear to us:

Integrity

We believe integrity, honesty, transparency and truthfulness is the cornerstone of our project and the mantle from which all thriving communities should be built. We believe that all involved in Al-Noor should strive

to have integrity in their private and professional life. This will allow our community to confidently live and work together.

Continuous improvement

We believe to create leaders in the community; we must be a people that continuously improve. We must improve in our character, our professionalism, working practices and most importantly our devotion to God.

Valuing People.

We believe that Individuals make families, families make communities and communities make the world. It is for this reason that 'Valuing people' is central to our organisation. Without people our education programmes are just brick and mortar.

Positive change

We believe that as a team we must aspire and inspire Positive change in the world around us. We believe that our projects will result in a positive change in the community and act as a catalyst for 'just, responsible and compassionate society.

Al-Noor Primary School is now in its 15th year as a primary school. Over the years, we've had over 555 children attended our school. We have consistently provided high academic achievement coupled with a strong Islamic education.

Students are provided a strong foundation at our school with EYFS framework. We focus on Communication and Language, Physical development, Personal, Social and Emotional development, Literacy, Mathematics, Understanding the world and Expressive arts and design. This is built upon over follow up years with a focus on the National Curriculum and a faith curriculum which focuses upon Arabic language, Quran and Islamic studies.

Most recently we have our 'Navigate' character development programme. Still very much in its infancy, we hope this programme will look at sincerity, honesty, respect, modesty, gratitude and generosity. These coupled with traits of courage, etiquettes and visionary will develop an all-round individual who will be a benefit to him/ herself and their society.

Senior leadership and teachers are dedicated to providing excellent KS2 exam results, as we see the importance of a strong performance in KS2 when transferring to secondary school.

Al-Noor Foundation is keen to ensure that our reach is far and wide, benefitting as many people as possible. We continue to provide high quality services to our community including:

A summary of our ventures is described below.

- The "Al-Noor Annual Family Fun Day" is held annually. This year the 13th Fun Day was held in June at Valentines Park, Ilford with over 13,500 attendees. Attractions included rides, food, a bazaar, corporate stall holders and special guests. A large group of volunteers contributed to the success of the event. The event has served to raise essential funds for the Foundation as well as bringing a large number of adults and children together for enjoyment in secure and safe

environment. Importantly, it was a great platform to promote our work, spread our vision and attract continuous support for expanding our project.

- The “Friends of Goodmayes Park” is a community group involving local residents and representatives from the Local Authority’s Parks Team to promote the development of the park. The school plays an active part in the group and provides the regular venue for meetings free of charge.
- The “Al-Noor Sports Academy” has approximately 70 boys registered between the ages of 4 and 11. The coaches are FA Certified Level 1 with the most senior coach being FA Certified Level 2 and a former coach from the West Ham United Academy.
- The “Al-Noor Choir” rehearses weekly and specialise in singing a capella in English and Arabic. The “Al-Noor Choir” has developed a loyal following and have performed on invitation at several community events.
- Though also part of the school’s curriculum, the school’s allotment plot project is supported by parents on weekends and holidays. Parent-child bonding sessions at the allotment are held periodically to contribute to the upkeep of the allotment but more importantly, allow parents to spend quality time with their children in a productive, outdoor activity.
- There has been a great demand from parents and the local community for Arabic language classes for children. As a result, we have built partnerships with local providers to provide them on weekdays as well as on the weekend at our premises.
- Al-Noor Scouts groups has children from both Al-Noor and outside joining the scouts group, learning essential skills to develop their confidence, responsibility, a broader set of friends, a chance to pursue things they might not get to do otherwise.

Financial review

Principal funding sources and project

The charity’s main source of revenue is fundraising from the local community. The purchase of the Newton Industrial Estate for £4.4m, and the subsequent relocation of the primary school for almost £500,000 has meant that the Board has focused on continuously raising funds via loans to help keep its repayments.

The strategy was to focus upon obtaining a mixture of donations and interest free loans that would allow us to be able to secure the purchase of the site. Al-Noor is a trusted brand with 15 years of delivering high quality education. This excellent reputation along with our extensive fundraising experience was the foundations for our decision to proceed on this project.

During this period, we had raised £174,866 of donations and secured further interest free loans from the community of £4,699,935 whilst honouring repayment terms we repaid loans of £1,356,572 during the year. During this period, we have completed the move of the Primary school, releasing the Green Lane site for an £8.5m project to create a new Voluntary Aided Primary School in partnership with the Local Authority. As a result of the demolition of the existing buildings, the Trustees have taken the decision to reflect the impairment of the Green Lane site in these accounts. We have also finalised our ‘masterplan’ for the development of a Secondary school on the Newton Industrial Estate.

Of the total expenditure of £1,981,301, £815,481 related to the impairment losses on the buildings at the Green Lane site.

The loans we have undertaken have been strategically calculated and come from over 600 people/organisations, all of which have varying timescales of return. All of the loans are interest free and provide the charity with time to continue fundraising, and other revenue sources to ensure we can keep up with repayment.

Additional funds are obtained from charging tuition fees to parents for the primary school. The funds from this are used entirely to support the running of the primary school. Currently we have 180 children in our school and are supported with a workforce of 41 staff and volunteers.

Risk Management

The Trustees assess all major risks to which the charity is exposed and review the systems and procedures established to manage those risks. The major risks are considered to be:

- Unable to meet the repayment of loans in a timely manner
- Not obtaining religious designation for the Voluntary Aided School
- Not meeting all statutory requirements for the primary school
- Planning opposition to the Newton Industrial Estate and the development of a Secondary School

Reserves Policy

The Al-Noor Reserves Policy is to maintain sufficient level of reserves to enable normal operating activities to continue should a shortfall in income occur and to take account of potential risks and contingencies that may arise from time to time.

Plans for future periods

Al-Noor Foundation intends to focus upon breadth and depth of its education of young people. We will continue to build upon our successful soft launch of our character development curriculum. We will now focus this upon all year groups within Al-Noor Primary in launching projects to help further enhance good character.

In addition to the first Voluntary Aided Muslim primary School in Redbridge, we are also committed to pursuing our vision of a Secondary school on the Newton Industrial Estate.

Reference and Administrative Details

Registered Company number

03303521 (England and Wales)

Registered Charity number

1061120

Registered office

Newton Industrial Estate
Eastern Avenue West
Unit A1
Romford
Essex
RM6 5SD

Members of Trustees who served during the year ended 31st August 2016 and at approval date:

- 1) Mr Imran Hafiz
- 2) Mr Imran Khan
- 3) Mr Daud Juneja
- 4) Mr Khalil Rehman
- 5) Mr Muhammed Ilyas Mirza
- 6) Mr Reza Jugon
- 7) Mr Sadiq Yakub Kothia
- 8) Mr Zulfiqar Ahmed

All the trustees are also directors of the Charity.

Statement of trustees' responsibilities

The trustees (who are also the directors of Al-Noor Foundation Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 those financial statements, the trustees are required to

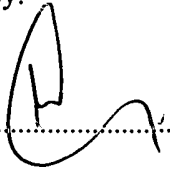
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Approved by order of the board of trustees on6th April 2017..... and signed on its behalf by:

.....

Daud Juneja (Chair)

April 2017

Report of the Independent Auditors to the Trustees of Al-Noor Foundation Limited

We have audited the financial statements of Al-Noor Foundation Limited for the year ended 31 August 2016 on pages twelve to twenty nine. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 145 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page eight, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditors under Section 145 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

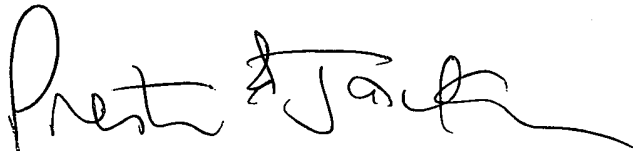
- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Report of the Independent Auditors to the Trustees of
Al-Noor Foundation Limited**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Prestons & Jacksons Partnership LLP

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

364 - 368 Cranbrook Road

Ilford

Essex

IG2 6HY

Date: 9/5/17

Al-Noor Foundation Limited

Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 31 August 2016

		31.8.16 Unrestricted fund £	31.8.15 Total funds £
INCOME FROM	Notes		
Donations	2	174,867	426,333
Charitable activities	5		
Education		538,334	582,682
Other Charitable Activities	3	183,335	219,438
Investment income	4	<u>119,134</u>	<u>24,524</u>
Total		1,015,670	1,252,977
 EXPENDITURE ON			
Raising funds	6	90,836	177,777
Charitable activities	7		
Foundation		1,039,158	46,933
Education		<u>851,308</u>	<u>757,869</u>
Total		1,981,302	982,579
 NET INCOME/(EXPENDITURE)		(965,632)	270,398
 RECONCILIATION OF FUNDS			
Total funds brought forward		2,060,088	1,789,690
 TOTAL FUNDS CARRIED FORWARD		<u>1,094,456</u>	<u>2,060,088</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

Al-Noor Foundation Limited

**Statement of Financial Position
At 31 August 2016**

			31.8.16 Unrestricted fund £	31.8.15 Total funds £
	Notes	£		
FIXED ASSETS				
Tangible assets	13		741,079	5,730,758
Investments				
Investments	14		100	100
Investment property	15		<u>4,443,357</u>	<u>-</u>
			5,184,536	5,730,858
 CURRENT ASSETS				
Debtors	16		139,217	980,614
Cash at bank and in hand			<u>1,035,296</u>	<u>407,267</u>
			1,174,513	1,387,881
 CREDITORS				
Amounts falling due within one year	17		<u>(4,346,903)</u>	<u>(3,181,140)</u>
 NET CURRENT ASSETS			<u>(3,172,390)</u>	<u>(1,793,254)</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES			2,012,146	3,937,599
 CREDITORS				
Amounts falling due after more than one year	18		<u>(917,690)</u>	<u>(1,877,511)</u>
 NET ASSETS			<u>1,094,456</u>	<u>2,060,088</u>
 FUNDS				
Unrestricted funds	19		<u>1,094,456</u>	<u>2,060,088</u>
 TOTAL FUNDS			<u>1,094,456</u>	<u>2,060,088</u>

The notes form part of these financial statements

Al-Noor Foundation Limited

Statement of Financial Position - continued
At 31 August 2016

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2016.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

The financial statements were approved by the Board of Trustees on 6th April 2017 and were signed on its behalf by:


.....
Trustee / Director: DAWOOD JUNESTA


.....
Trustee / MUTAMMED ILYAS MIRZA
Director


.....
Trustee / REZA JUNON
Director

The notes form part of these financial statements

Al-Noor Foundation Limited

**Statement of Cash Flows
for the Year Ended 31 August 2016**

	Notes	31.8.16 £	31.8.15 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>990,897</u>	<u>3,946,752</u>
Net cash provided by (used in) operating activities		<u>990,897</u>	<u>3,946,752</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(362,868)</u>	<u>(4,443,357)</u>
Net cash provided by (used in) investing activities		<u>(362,868)</u>	<u>(4,443,357)</u>
Change in cash and cash equivalents in the reporting period		628,029	(496,605)
Cash and cash equivalents at the beginning of the reporting period		<u>407,267</u>	<u>903,872</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,035,296</u></u>	<u><u>407,267</u></u>

The notes form part of these financial statements

Al-Noor Foundation Limited

**Notes to the Statement of Cash Flows
for the Year Ended 31 August 2016**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM
OPERATING ACTIVITIES**

	31.8.16	31.8.15
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(965,632)	270,398
Adjustments for:		
Depreciation charges	93,709	85,770
Loss on disposal of fixed assets	815,481	-
Decrease/(increase) in debtors	841,397	(842,204)
Increase in creditors	<u>205,942</u>	<u>4,432,788</u>
Net cash provided by (used in) operating activities	<u>990,897</u>	<u>3,946,752</u>

**Notes to the Financial Statements
for the Year Ended 31 August 2016**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Going concern policy

The trustees are confident that they have ongoing support from funders and partners to maintain their charities operations for the next twelve months. As a result of this, the accounts have been prepared on a going concern basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

In particular, the policy for including items within costs of generating funds, charitable activities and governance costs is

Charitable activities

Charitable expenditure shall include all expenditure directly related to the objects of the charity.

Governance costs

Governance costs shall include all expenditure directly related to the administration of the charity including expenditure incurred in the management of the charity's assets, organisational administration and compliance with charitable and statutory requirements.

Allocation of costs within types of resources expended

The methods and principles for the allocation and apportionment of all costs between the different activity categories of resources set out above are based on the test of whether a cost directly contributes to the particular related source of income. Such identifiable costs are apportioned to the specific activity, whereas all other costs are allocated to support costs of charitable activities.

Resources expended include attributable VAT which cannot be recovered.

Al-Noor Foundation Limited

Notes to the Financial Statements - continued for the Year Ended 31 August 2016

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Improvements to property	- 10% on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor van	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to an unrealised revaluation gain.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

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

Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

Al-Noor Foundation Limited

Notes to the Financial Statements - continued for the Year Ended 31 August 2016

2. DONATIONS

	31.8.16	31.8.15
	£	£
Foundation Income	68,343	363,451
Gift aid	36,522	11,364
Grants	<u>70,002</u>	<u>51,518</u>
	<u>174,867</u>	<u>426,333</u>

Grants received, included in the above, are as follows:

	31.8.16	31.8.15
	£	£
L B of Redbridge - Early Years Funding	49,104	37,518
L B of Redbridge - Special Education Needs	<u>20,898</u>	<u>14,000</u>
	<u>70,002</u>	<u>51,518</u>

3. OTHER CHARITABLE ACTIVITIES

	31.8.16	31.8.15
	£	£
Funday Income	129,774	134,603
Other Fundraising Activities	<u>53,561</u>	<u>84,835</u>
	<u>183,335</u>	<u>219,438</u>

4. INVESTMENT INCOME

	31.8.16	31.8.15
	£	£
Rents received	<u>119,134</u>	<u>24,524</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.8.16	31.8.15
		£	£
Fees Receivable	Education	<u>538,334</u>	<u>582,682</u>

Al-Noor Foundation Limited

Notes to the Financial Statements - continued for the Year Ended 31 August 2016

6. RAISING FUNDS

Raising donations and legacies

	31.8.16	31.8.15
	£	£
General Fundraising Events	<u>90,836</u>	<u>177,777</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 8)	Totals
	£	£	£
Foundation	838,823	200,335	1,039,158
Education	<u>799,038</u>	<u>52,270</u>	<u>851,308</u>
	<u>1,637,861</u>	<u>252,605</u>	<u>1,890,466</u>

8. SUPPORT COSTS

	Management	Finance	Other	Governance costs	Totals
	£	£	£	£	£
Foundation	-	152,049	48,286	-	200,335
Education	<u>5,120</u>	<u>19,359</u>	<u>19,990</u>	<u>7,801</u>	<u>52,270</u>
	<u>5,120</u>	<u>171,408</u>	<u>68,276</u>	<u>7,801</u>	<u>252,605</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.8.16	31.8.15
	£	£
Auditors' remuneration	5,450	2,750
Auditors' remuneration for non audit work	2,351	2,446
Depreciation - owned assets	<u>93,709</u>	<u>85,770</u>

Al-Noor Foundation Limited

Notes to the Financial Statements - continued for the Year Ended 31 August 2016

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2016 nor for the year ended 31 August 2015.

Trustees' expenses

	31.8.16	31.8.15
	£	£
Trustees' expenses	<u>5,555</u>	<u>-</u>

Trustees Expenses were mainly for attending training and development courses. They also included £1,370 for expenses reimbursed to two members of the Board.

11. STAFF COSTS

	31.8.16	31.8.15
	£	£
Wages and salaries	612,848	576,693
Other pension costs	<u>2,222</u>	<u>-</u>
	<u>615,070</u>	<u>576,693</u>

The average monthly number of employees during the year was as follows:

	31.8.16	31.8.15
Engaged on Charitable Activities	40	35
Engaged on Management	<u>1</u>	<u>3</u>
	<u>41</u>	<u>38</u>

No employees received emoluments in excess of £60,000.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME FROM	
Donations	426,333
Charitable activities	
Education	582,682
Other Charitable Activities	219,438
Investment income	<u>24,524</u>
Total	1,252,977

Al-Noor Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £
EXPENDITURE ON	
Raising funds	177,777
Charitable activities	
Foundation	46,933
Education	<u>757,869</u>
Total	<u>982,579</u>
NET INCOME/(EXPENDITURE)	270,398
RECONCILIATION OF FUNDS	
Total funds brought forward	<u>1,789,690</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>2,060,088</u></u>

Al-Noor Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 September 2015	5,540,957	557,118	-
Additions	-	-	362,868
Impairments	(637,650)	(557,118)	-
Reclassification	<u>(4,443,357)</u>	<u>-</u>	<u>-</u>
At 31 August 2016	<u>459,950</u>	<u>-</u>	<u>362,868</u>
DEPRECIATION			
At 1 September 2015	138,576	242,374	-
Charge for year	-	-	90,717
Impairments	<u>(138,576)</u>	<u>(242,374)</u>	<u>-</u>
At 31 August 2016	<u>-</u>	<u>-</u>	<u>90,717</u>
NET BOOK VALUE			
At 31 August 2016	<u>459,950</u>	<u>-</u>	<u>272,151</u>
At 31 August 2015	<u>5,402,381</u>	<u>314,744</u>	<u>-</u>

	Fixtures and fittings £	Motor van £	Computer equipment £	Totals £
COST				
At 1 September 2015	32,711	5,875	83,735	6,220,396
Additions	-	-	-	362,868
Impairments	(32,711)	(592)	-	(1,228,071)
Reclassification	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,443,357)</u>
At 31 August 2016	<u>-</u>	<u>5,283</u>	<u>83,735</u>	<u>911,836</u>
DEPRECIATION				
At 1 September 2015	31,640	5,283	71,765	489,638
Charge for year	-	-	2,992	93,709
Impairments	<u>(31,640)</u>	<u>-</u>	<u>-</u>	<u>(412,590)</u>
At 31 August 2016	<u>-</u>	<u>5,283</u>	<u>74,757</u>	<u>170,757</u>
NET BOOK VALUE				
At 31 August 2016	<u>-</u>	<u>-</u>	<u>8,978</u>	<u>741,079</u>
At 31 August 2015	<u>1,071</u>	<u>592</u>	<u>11,970</u>	<u>5,730,758</u>

Al -Noor Foundation Limited

Notes to the Financial Statements - continued for the Year Ended 31 August 2016

13. TANGIBLE FIXED ASSETS - continued

14. FIXED ASSET INVESTMENTS

Subsidiary:
ANCI LIMITED

Nature of Business:
Other Business Support Service Activities

Class of shares:
Ordinary - shares of £1 each

% holding
100

Aggregate Capital and Reserves:

31.03.13
£100

15. INVESTMENT PROPERTY

MARKET VALUE

Reclassification

£

4,443,357

NET BOOK VALUE

At 31 August 2016

4,443,357

At 31 August 2015

-

In accordance with SSAP 19 no depreciation is charged in respect of investment property. This policy represents a departure from the requirements of the Companies Act 2006, to provide systematic annual depreciation for fixed assets. However, as this property is held for investments and not consumption, the trustees consider the adoption of this policy to give true & fair view.

At balance sheet date, there were three legal charges against the investment property for loans taken from three different providers which totalled £800,000.

16. DEBTORS

	31.8.16	31.8.15
	£	£
Amounts falling due within one year:		
Trade debtors	64,092	83,122
Other debtors	26,377	878,350
Prepayments and accrued income	11,510	16,295
Gift Aid	<u>36,522</u>	<u>-</u>
	<u>138,501</u>	<u>977,767</u>

Al-Noor Foundation Limited

Notes to the Financial Statements - continued for the Year Ended 31 August 2016

16. DEBTORS - continued

	31.8.16 £	31.8.15 £
Amounts falling due after more than one year:		
Trade debtors	<u>716</u>	<u>2,847</u>
Aggregate amounts	<u>139,217</u>	<u>980,614</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.16 £	31.8.15 £
Trade creditors	31,759	26,658
Social security and other taxes	6,394	1,291
VAT	3,500	-
Other creditors (See note 18)	3,924,045	2,866,150
Students Deposits Held	9,000	9,000
Accruals and deferred income	366,607	372,341
Accrued expenses	<u>5,598</u>	<u>2,750</u>
	<u>4,346,903</u>	<u>3,181,140</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.8.16 £	31.8.15 £
Other creditors	<u>917,690</u>	<u>1,877,511</u>

Other Creditors related solely to interest free loans raised for charitable purposes from supporters of the charity and its local community.

19. MOVEMENT IN FUNDS

	At 1/9/15 £	Net movement in funds £	At 31/8/16 £
Unrestricted funds			
General fund	2,060,088	(965,632)	1,094,456
TOTAL FUNDS	<u>2,060,088</u>	<u>(965,632)</u>	<u>1,094,456</u>

Al-Noor Foundation Limited

Notes to the Financial Statements - continued for the Year Ended 31 August 2016

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,015,670	(1,981,302)	(965,632)
TOTAL FUNDS	<u>1,015,669</u>	<u>(1,981,301)</u>	<u>(965,632)</u>

20. RELATED PARTY DISCLOSURES

1) The charity set up a wholly owned company called ANCI Limited. Mr Akhter Raouf, the Chief Executive Officer and Mr Daud Juneja, the director of Al Noor Foundation Limited respectively, are also directors of ANCI Limited. ANCI Limited is a limited company which provides other business support service activities.

2) As at Balance Sheet date, the company has interest free loans totalling £535,651 from trustees and their related parties. The purpose of the loans was to aid in the running of the charitable activities carried out by the company.

All the above transactions were undertaken on an arm's length basis.

21. SHARE CAPITAL

The charity is incorporated under the Companies Acts and is limited by guarantee, each member having undertaken to contribute such amounts not exceeding one pound as may be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter.

22. FIRST YEAR ADOPTION

Transitional relief

On transition to FRS 102, the charity has taken advantage of the following transitional relief:

Al-Noor Foundation Limited

**Reconciliation of Income and Expenditure
for the Year Ended 31 August 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
INCOME FROM				
Donations		116,638	309,695	426,333
Charitable activities		533,495	49,187	582,682
Other Charitable Activities		199,119	20,319	219,438
Investment income		-	24,524	24,524
Total		849,252	403,725	1,252,977
EXPENDITURE ON				
Raising funds		118,530	59,247	177,777
Charitable activities		628,663	176,139	804,802
OBSOLETE Governance costs		4,270	(4,270)	-
Total		751,463	231,116	982,579
NET INCOME/(EXPENDITURE)		<u>97,789</u>	<u>172,609</u>	<u>270,398</u>

Al-Noor Foundation Limited

Reconciliation of Funds

At 1 September 2014

(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		1,373,171	-	1,373,171
Investments		<u>100</u>	<u>-</u>	<u>100</u>
		1,373,271	-	1,373,271
CURRENT ASSETS				
Debtors		138,410	-	138,410
Cash at bank and in hand		<u>903,872</u>	<u>-</u>	<u>903,872</u>
		1,042,282	-	1,042,282
CREDITORS				
Amounts falling due within one year		(515,103)	-	(515,103)
		<u>527,179</u>	<u>-</u>	<u>527,179</u>
NET CURRENT ASSETS				
		1,900,450	-	1,900,450
CREDITORS				
Amounts falling due after more than one year		(110,760)	-	(110,760)
		<u>1,789,690</u>	<u>-</u>	<u>1,789,690</u>
FUNDS				
Unrestricted funds		<u>1,789,690</u>	<u>-</u>	<u>1,789,690</u>
TOTAL FUNDS		<u>1,789,690</u>	<u>-</u>	<u>1,789,690</u>

Al-Noor Foundation Limited

**Reconciliation of Funds
At 31 August 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		1,373,171	4,357,587	5,730,758
Investments		<u>100</u>	<u>-</u>	<u>100</u>
Total		1,373,271	4,357,587	5,730,858
CURRENT ASSETS				
Debtors		138,410	842,204	980,614
Cash at bank and in hand		<u>903,872</u>	<u>(496,605)</u>	<u>407,267</u>
		1,042,282	345,599	1,387,881
CREDITORS				
Amounts falling due within one year		<u>(515,103)</u>	<u>(2,666,037)</u>	<u>(3,181,140)</u>
NET CURRENT ASSETS		<u>527,179</u>	<u>(2,320,438)</u>	<u>(1,793,259)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,900,450	2,037,149	3,937,599
CREDITORS				
Amounts falling due after more than one year		<u>(110,760)</u>	<u>(1,766,751)</u>	<u>(1,877,511)</u>
NET ASSETS		<u>1,789,690</u>	<u>270,398</u>	<u>2,060,088</u>
FUNDS				
Unrestricted funds		<u>1,789,690</u>	<u>270,398</u>	<u>2,060,088</u>
TOTAL FUNDS		<u>1,789,690</u>	<u>270,398</u>	<u>2,060,088</u>