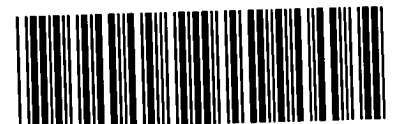


REGISTERED COMPANY NUMBER: 03303521 (England and Wales)
REGISTERED CHARITY NUMBER: 1061120

**Report of the Trustees and
Audited Financial Statements for the Year Ended 31 August 2017
for**

**Al-Noor Foundation Limited
(A Company Limited by Guarantee)**

FRIDAY



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02/02/2018

#169

COMPANIES HOUSE

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

Al-Noor Foundation Limited

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for the Year Ended 31 August 2017**

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**Report of the Trustees
for the Year Ended 31 August 2017**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2017. The trustees have adopted the 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). The accounts have been prepared in accordance with the accounting policies set out in the notes to the financial statements.

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, Caring and professional staff and dedicated 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.

The 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 for both 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.

Al-Noor Foundation Limited
Report of the Trustees
for the Year Ended 31 August 2017

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 updated 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 an all-round healthy development and aided by positive role models who embody the values we aspire for 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 Foundation 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 out during activities. Trustees are a valuable asset 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.

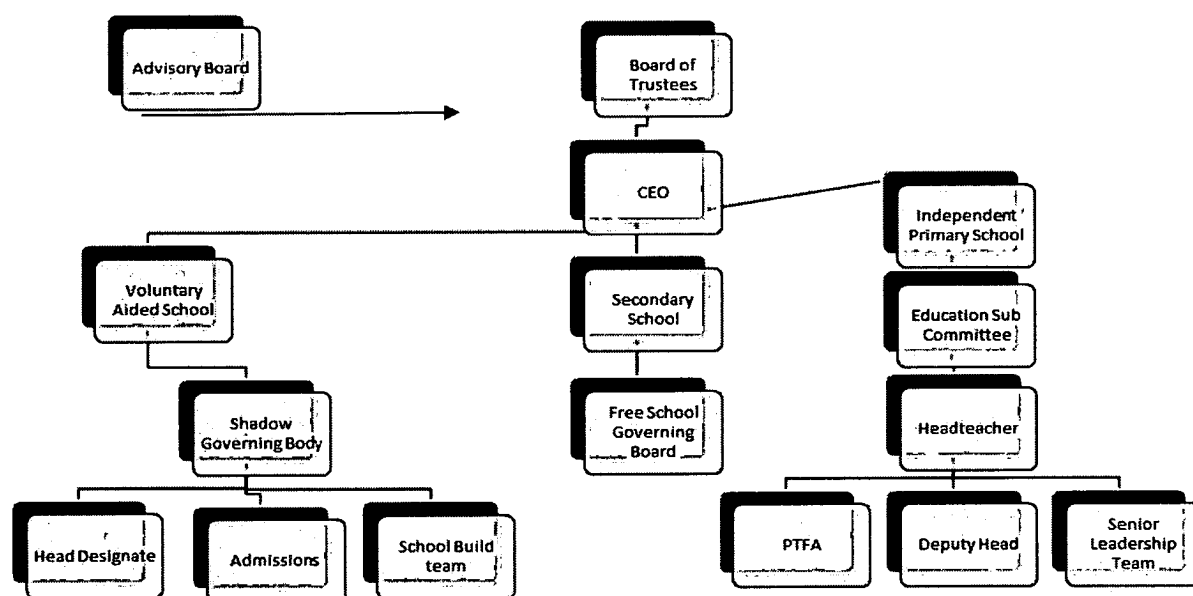
Organisational Management

The trustees 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:

Al-Noor Foundation Limited
Report of the Trustees
for the Year Ended 31 August 2017

- 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 commenced in April 2017 and is more than 50% complete. The scheduled time of completion is June 2018, and the new Voluntary Aided school is expected to open in September 2018, God willing.
- b) The Newton Industrial Estate was purchase on August 14th, 2015 with a view of fulfilling two purposes:
- 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, will conclude in July 2018, 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.
 - 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. An initial ‘register of interest’ was sent out in which we had demand that exceeded the proposed numbers for a 6-form of entry boys secondary school.

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

Al-Noor Foundation Limited
Report of the Trustees
for the Year Ended 31 August 2017

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 Foundation 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.

Al-Noor Foundation Limited
Report of the Trustees
for the Year Ended 31 August 2017

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 16th year as a primary school. Over the years we have over 575 children attend 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 are described below.

- The "Al-Noor Annual Family Fun Day" is held annually. This year the 14th Fun Day was held in June at Valentines Park, Ilford with over 10,500 attendees this year. Attractions include rides, food, a bazaar, corporate stall holders and special guests. A large group of volunteers contribute 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.

Al-Noor Foundation Limited
Report of the Trustees
for the Year Ended 31 August 2017

- 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 encouraging parents to participate.
- 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.

A further milestone for Al-Noor was achieved in July 2017 when Al-Noor was awarded religious designation for the VA school by the Minister of Education. This parliament decision ensured that Al-Noor could proceed with the Voluntary Aided School as a designated ‘Muslim’ school.

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 £420,000 has meant that the Board has focused on continuously raising funds via loans to help keep its repayments.

Since purchasing the Newton Industrial Estate, we have managed to ensure that we have maintained repayment requests from those who have loaned us interest free loans. In the past two years we have returned over £3m of loans, by raising a similar amount to ensure we maintain the loan amount of £4.8m.

The loans we have undertaken have been strategically calculated and come from over 600 people and 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 opening the Voluntary Aided School in September 2018
- Not meeting all statutory requirements for the primary school
- Submission of a Free School application for Al-Noor Secondary School.

**Al-Noor Foundation Limited
Report of the Trustees
for the Year Ended 31 August 2017**

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 Ind Estate.

They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Trustees

- 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.

Auditors

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

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

Al-Noor Foundation Limited
Report of the Trustees
for the Year Ended 31 August 2017

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

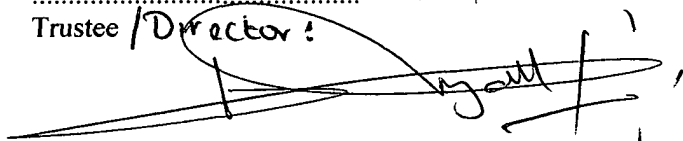
So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit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

AUDITORS

The auditors, Prestons & Jacksons Partnership LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on14/12/17..... and signed on its behalf by:

MUHAMMED LYAS MIRZA
Trustee / Director:



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

Opinion

We have audited the financial statements of Al-Noor Foundation Limited (the 'charitable company') for the year ended 31 August 2017 on pages eleven to twenty two. 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 144 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.

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 2017 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.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. 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.

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.

Responsibilities of trustees

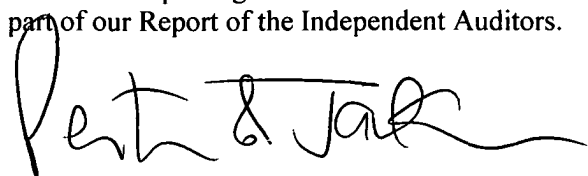
As explained more fully in the Statement of Trustees Responsibilities set out on page seven, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true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

Our 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 a Report of the Independent Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.



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: 20/12/17

Al-Noor Foundation Limited

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2017**

		31.8.17 Unrestricted fund £	31.8.16 Total funds £
INCOME FROM	Notes		
Donations	2	105,111	174,867
Charitable activities	5		
Education		594,608	538,334
Other Charitable Activities	3	145,316	183,335
Investment income	4	91,636	119,134
Total		936,671	1,015,670
 EXPENDITURE ON			
Raising funds	6	121,687	90,836
Charitable activities	7		
Foundation		286,313	1,039,158
Education		761,924	851,308
Total		1,169,924	1,981,302
 NET INCOME/(EXPENDITURE)		(233,253)	(965,632)
 RECONCILIATION OF FUNDS			
Total funds brought forward		1,094,456	2,060,088
 TOTAL FUNDS CARRIED FORWARD		861,203	1,094,456

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 2017**

		31.8.17 Unrestricted fund £	31.8.16 Total funds £
	Notes		
FIXED ASSETS			
Tangible assets	13	677,442	741,079
Investments			
Investments	14	100	100
Investment property	15	<u>4,443,357</u>	<u>4,443,357</u>
		5,120,899	5,184,536
 CURRENT ASSETS			
Debtors	16	101,576	139,217
Cash at bank and in hand		<u>659,377</u>	<u>1,035,296</u>
		760,953	1,174,513
 CREDITORS			
Amounts falling due within one year	17	<u>(5,020,649)</u>	<u>(5,264,593)</u>
 NET CURRENT ASSETS/(LIABILITIES)		<u>(4,259,696)</u>	<u>(4,090,080)</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		<u>861,203</u>	<u>1,094,456</u>
 NET ASSETS		<u><u>861,203</u></u>	<u><u>1,094,456</u></u>
 FUNDS	18		
Unrestricted funds		<u>861,203</u>	<u>1,094,456</u>
 TOTAL FUNDS		<u><u>861,203</u></u>	<u><u>1,094,456</u></u>

The notes form part of these financial statements

Al-Noor Foundation Limited

Statement of Financial Position - continued
At 31 August 2017

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2017.

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

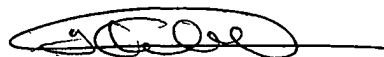
- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its 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 144 of the Charities Act 2011.

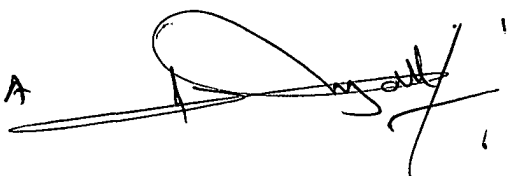
These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on14/12/17..... and were signed on its behalf by:

KHALIL RAHMAN
Trustee / Director



MUHAMMED ILYAS MIRZA
Trustee / Director



REZA JUGON
Trustee / Director



The notes form part of these financial statements

Al-Noor Foundation Limited

**Statement of Cash Flows
for the Year Ended 31 August 2017**

	Notes	31.8.17 £	31.8.16 £
Cash flows from operating activities:			
Cash generated from operations	22	<u>(367,776)</u>	<u>990,897</u>
Net cash provided by (used in) operating activities		<u>(367,776)</u>	<u>990,893</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(8,143)</u>	<u>(362,868)</u>
Net cash provided by (used in) investing activities		<u>(8,143)</u>	<u>(362,868)</u>
Change in cash and cash equivalents in the reporting period		(375,919)	628,029
Cash and cash equivalents at the beginning of the reporting period		<u>1,035,296</u>	<u>407,267</u>
Cash and cash equivalents at the end of the reporting period		<u><u>659,377</u></u>	<u><u>1,035,296</u></u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 August 2017**

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 charity's 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.

Income from government and other grants, whether "capital" grants or "revenue" grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Rental income is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of rent received or payable by the tenant.

Income received in advance is deferred until the criteria for income recognition are met.

Expenditure and irrecoverable vat

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.

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2017**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. 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
Plant and machinery	- 25% on reducing balance
Motor van	- 25% on reducing balance
Computer equipment	- 25% on reducing balance
Land is not being depreciated.	

Investment property

Investment property is shown at fair value valuation. Any aggregate surplus or deficit arising from changes in fair value is transferred to SOFA.

Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

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.

Debtors

Basic financial assets, including trade and other debtors, are initially recognised at transaction price, 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. Such assets are subsequently carried at historical cost using the effective interest method, less any impairment.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2017**

Related Party Note

The charity discloses related party transactions in the notes to the financial statements.

2. DONATIONS

	31.8.17	31.8.16
	£	£
Foundation Income	36,238	68,342
Gift aid	204	36,523
Grants	<u>68,669</u>	<u>70,002</u>
	<u>105,111</u>	<u>174,867</u>

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

	31.8.17	31.8.16
	£	£
L B of Redbridge - Early Years Funding	47,873	49,104
L B of Redbridge - Special Education Needs	<u>20,796</u>	<u>20,898</u>
	<u>68,669</u>	<u>70,002</u>

3. OTHER CHARITABLE ACTIVITIES

	31.8.17	31.8.16
	£	£
Funday Income	137,086	129,774
Other Fundraising Activities	<u>8,230</u>	<u>53,561</u>
	<u>145,316</u>	<u>183,335</u>

4. INVESTMENT INCOME

	31.8.17	31.8.16
	£	£
Rents receivable	<u>91,636</u>	<u>119,134</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	31.8.17	31.8.16
	£	£
Fees Receivable	<u>594,608</u>	<u>538,334</u>

Activity
Education

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2017**

6. RAISING FUNDS

Raising donations and legacies

	31.8.17	31.8.16
	£	£
General Fundraising Events	116,419	90,836
Support costs	<u>5,268</u>	<u>-</u>
	<u>121,687</u>	<u>90,836</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs	Totals
	(See note 8)		
	£	£	£
Foundation	207,178	79,135	286,313
Education	<u>640,549</u>	<u>121,375</u>	<u>761,924</u>
	<u>847,727</u>	<u>200,510</u>	<u>1,048,237</u>

8. SUPPORT COSTS

	Management	Finance	Other	Governance costs	Totals
	£	£	£	£	£
Raising donations and legacies	-	2,840	2,428	-	5,268
Foundation	2,645	17,052	53,479	5,959	79,135
Education	<u>11,060</u>	<u>14,240</u>	<u>96,075</u>	<u>-</u>	<u>121,375</u>
	<u>13,705</u>	<u>34,132</u>	<u>151,982</u>	<u>5,959</u>	<u>205,778</u>

9. NET INCOME/(EXPENDITURE)

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

	31.8.17	31.8.16
	£	£
Auditors' remuneration	4,200	5,450
Auditors' remuneration for non audit work	1,759	2,351
Depreciation - owned assets	<u>72,496</u>	<u>93,709</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2017**

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2017 nor for the year ended 31 August 2016.

Trustees' expenses

	31.8.17	31.8.16
	£	£
Trustees' expenses	<u>200</u>	<u>5,555</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

	31.8.17	31.8.16
	£	£
Wages and salaries	596,239	612,848
Other pension costs	<u>2,301</u>	<u>2,222</u>
	<u>598,540</u>	<u>615,070</u>

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

	31.8.17	31.8.16
Engaged on Charitable Activities	37	40
Engaged on Management	<u>1</u>	<u>1</u>
	<u>38</u>	<u>41</u>

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

12. KEY MANAGEMENT PERSONNEL

The Key Management Personnel is the Chief Executive Officer and the remuneration amounted to £50,000 in the year. (2016: £50,000)

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

13. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor van £	Computer equipment £	Totals £
COST					
At 1 September 2016	459,950	362,868	5,283	83,735	911,836
Additions	-	7,266	-	1,593	8,859
At 31 August 2017	459,950	370,134	5,283	85,328	920,695
DEPRECIATION					
At 1 September 2016	-	90,717	5,283	74,757	170,757
Charge for year	-	69,854	-	2,642	72,496
At 31 August 2017	-	160,571	5,283	77,399	243,253
NET BOOK VALUE					
At 31 August 2017	459,950	209,563	-	7,929	677,442
At 31 August 2016	459,950	272,151	-	8,978	741,079

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

	£
FAIR VALUE	
At 1 September 2016 and 31 August 2017	4,443,357
NET BOOK VALUE	
At 31 August 2017	4,443,357
At 31 August 2016	4,443,357

The investment property is stated at its fair value determined by trustees.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17	31.8.16
	£	£
Trade debtors	76,887	64,092
Other debtors	21,977	27,093
Prepayments and accrued income	2,712	11,510
Accruals	-	36,522
	<u>101,576</u>	<u>139,217</u>

All of the above are shown at amortised costs.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17	31.8.16
	£	£
Trade creditors	17,633	31,759
Social security and other taxes	568	6,394
VAT	5,946	3,500
Other creditors	4,571,367	4,850,735
Accruals and deferred income	372,590	366,607
Accrued expenses	52,545	5,598
	<u>5,020,649</u>	<u>5,264,593</u>

All of the above are shown at amortised costs.

18. MOVEMENT IN FUNDS

	At 1/9/16	Net movement in funds	At 31/8/17
	£	£	£
Unrestricted funds			
General fund	1,094,456	(233,253)	861,203
	<u>1,094,456</u>	<u>(233,253)</u>	<u>861,203</u>
TOTAL FUNDS	<u>1,094,456</u>	<u>(233,253)</u>	<u>861,203</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	936,671	(1,169,924)	(233,253)
	<u>936,671</u>	<u>(1,169,924)</u>	<u>(233,253)</u>
TOTAL FUNDS	<u>936,671</u>	<u>(1,169,924)</u>	<u>(233,253)</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2017**

18. MOVEMENT IN FUNDS - continued

19. 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 £472,900 from related members of the Board. The purpose of the loan was to aid in the running of the charitable activities carried out by the company.

20. 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.

21. OTHER CREDITORS

The Other Creditors related to Interest Free Loans of £4,390,658 (2016: £4,699,935) (Karze Hassana Loans) received from the community. Some of the larger loans have been secured on the investment property.

Also, included as part of Other Creditors, were refundable student deposits of £165,800 (2016: £148,800).

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

	31.8.17 £	31.8.16 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(233,253)	(965,632)
Adjustments for:		
Depreciation charges	72,496	93,709
Loss on disposal of fixed assets	-	815,481
Decrease in debtors	36,925	842,113
(Decrease)/increase in creditors	<u>(243,944)</u>	<u>205,226</u>
Net cash provided by (used in) operating activities	<u>(367,776)</u>	<u>990,897</u>

Al-Noor Foundation Limited

Detailed Statement of Financial Activities for the Year Ended 31 August 2017

	31.8.17 £	31.8.16 £
INCOME		
Donations		
Foundation Income	36,238	68,342
Gift aid	204	36,523
Grants	<u>68,669</u>	<u>70,002</u>
	105,111	174,867
Other Charitable Activities		
Funday Income	137,086	129,774
Other Fundraising Activities	<u>8,230</u>	<u>53,561</u>
	145,316	183,335
Investment income		
Rents receivable	91,636	119,134
Charitable activities		
Fees Receivable	<u>594,608</u>	<u>538,334</u>
Total incoming resources	936,671	1,015,670
EXPENDITURE		
Raising donations and legacies		
General Fundraising Events	116,419	90,836
Charitable activities		
Trustees' expenses	200	5,555
Wages	596,239	612,848
Pensions	2,301	2,222
Educational Resources	98,299	14,752
Insurance	5,778	8,883
Light and heat	16,766	18,225
Repairs and Renewals	1,545	23,285
Computer Maintenance	2,673	5,944
Other Office Expenses	51,430	26,850
Plant and machinery	69,854	90,717
Depreciation- Computer	2,642	2,992
Impairment losses for tangible fixed assets	-	815,481
Training and Courses	<u>-</u>	<u>10,107</u>
	847,727	1,637,861
Support costs		

This page does not form part of the statutory financial statements

Al-Noor Foundation Limited

Detailed Statement of Financial Activities for the Year Ended 31 August 2017

	31.8.17 £	31.8.16 £
Management		
Telephone	2,645	1,323
Advertising	<u>11,060</u>	<u>3,797</u>
	13,705	5,120
Finance		
Legal and Professional Fees	19,831	159,315
Bad Debts	8,793	9,521
Bank charges	<u>5,508</u>	<u>2,572</u>
	34,132	171,408
Other		
Rates and water	53,479	21,123
Cleaning	2,428	1,474
Primary School Relocation	<u>96,075</u>	<u>45,679</u>
	151,982	68,276
Governance costs		
Auditors' remuneration	4,200	5,450
Auditors' remuneration for non audit work	<u>1,759</u>	<u>2,351</u>
	<u>5,959</u>	<u>7,801</u>
Total resources expended	1,169,924	1,981,302
Net expenditure	<u>(233,253)</u>	<u>(965,632)</u>

This page does not form part of the statutory financial statements