

MUSLIM WELFARE INSTITUTE
TRUSTEES' REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Xeinadin Audit Ltd (Statutory Auditor)
36 Old Jewry
London
EC2R 8DD

MUSLIM WELFARE INSTITUTE

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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MUSLIM WELFARE INSTITUTE

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Trustees	Mr Hasan Moosa Sidat (resigned 11.3.21) Mr Rafiq Ismail Patel (resigned 11.3.21) Mr Mohammad Nagdee (resigned 11.3.21) Mr Yusuf Ibrahim Ahmed Moosa (appointed 12.3.21) Mr Aziz Raje (appointed 12.3.21) Mr Hasan Patel
Principal address	Unit 301 Daisyfield Business Centre Daisyfield Mill, Appleby Street Blackburn Lancashire BB1 3BL
Registered charity number	1066665
Auditors	Xeinadin Audit Ltd (Statutory Auditor) 36 Old Jewry London EC2R 8DD

MUSLIM WELFARE INSTITUTE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report with the financial statements of the charity for the year ended 31 December 2021. 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 2019).

Objectives and activities

Objectives and aims

The trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity'. The charity run on the basis of Public benefit and not for profit purpose.

The objectives of the charity are as outlined in the charity's Governing Instrument. The main objective of the charity is needy people primarily in, but not restricted to, India, Albania and Bangladesh by focusing on the following areas:

- Providing housing and healthcare facilities.
- Establishing and renovating mosques, cultural centre and madrasas.
- Providing education and training in Islamic faith.

Achievement and performance

ALBANIA

Dar-e Arqam Education Centre

Our new Dar - e - Arqam Education Centre in Tirana completed its second full year during 2021.

Residential Institute - Belesh

Our residential institute at one of the local Mosques in the village of Belesh had been running for 16 years. 10 students resided on a full time basis, where all their needs were provided for. Many students enrolled for shorter periods and a number of students attended part time courses. Due to the Covid pandemic, the institute remained closed for most of 2021. We are looking into changing the venue for this project.

Non Residential Institute - Laknas

Our non residential institute opened in Laknas in 2015 and completed its 6th year. The institute is in use during weekdays for education classes for students and on the weekends for education classes for orphans and also widows. Intention is to increase programmes at this institute in the coming years.

Mosques Renovation Programme

12 Mosques were renovated throughout the year 2021. 4 were on behalf of the Ummah Welfare Trust (UWT).

Food Distribution Project

To assist needy families, we distributed:

1,440 meat bags on the occasion of Eid-ul-Adha.

2,115 food packs during the Holy month of Ramadhan & at the time of Eid-ul-Fitr.

Educational Projects

70 classes were funded by the MWI where 1200 children received free education.

Orphans Sponsorship

500 orphans & their families were sponsored for 12 months.

BOSNIA

Following a visit to Bosnia in 2018, the MWI initiated its first 2 projects in Bosnia during the year 2020. We continued with this during the year 2021.

Widows Sponsorship

We sponsored 40 families with a cash grant of £200 each in Srebrenica.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Families Sponsorship

We sponsored 35 families in Mostar with £200 each.

MACEDONIA

Educational Projects

13 classes were funded by the MWI where 200 children received free education.

UNITED KINGDOM (England)

Hardship Assistance Programme:

Blackburn:

Assistance was provided to a number of families who were going through difficult circumstances. Our Sisters group also assisted a number of sisters and children. Food, clothing, basic essentials, rental payments etc were provided. We worked closely with the Refugee Organisation here in Blackburn who carried out the due diligence checks.

Asylum seekers/ Refugees:

We assisted a number of asylum seekers and refugee families here in Blackburn and the Northwest with cash grants.

BANGLADESH

Orphanage Project

Our orphanage constructed at the village of Begumpur completed its 17th year. The orphanage is home to 30 orphans. A number of orphans who have reached the age of 18 have now moved on into either full time education, further studies or vocational training programmes depending on their final exam results.

Education Programmes

35 part-time schools are being funded where 1500 children acquire secular & religious education.

Food Distribution

6,000 people were provided with hot meals daily during the month of Ramadhan.

1500 families were provided with Iftaar Packs in Ramadhan.

1000 gift packs were distributed prior to the festival of Eid-ul-Fitr.

500 meat bags were distributed on the occasion of Eid-ul-Adha.

Orphans Sponsorship

30 orphans sponsored.

Water Programmes

45 hand pumps installed at various locations throughout the year.

Income Support Programme

60 rickshaw vans distributed.

Wheelchair Distribution

120 wheelchairs distributed.

Group Weddings Programme

Finance was provided for 30 couples who got married at the group weddings programmes that were organised during the year.

Medical Projects

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

100 cataract operations were performed.

Winter Clothing

1,000 winter packs distributed during the winter period.

INDIA

Masjid Construction

5 Masjids constructed.

Weddings Programme

20 weddings financed.

Cataract Operations

200 operations carried out.

Dialysis Services

400 dialysis services carried out throughout the year.

Food Distribution

2,500 food parcels distributed for the holy month of Ramadhan & 3,000 at the time of Eid-ul-Fitr.

Widows/Orphans Sponsorship

100 orphans were sponsored in and around the Ahmedabad area.

WEST BENGAL

Students sponsorship

65 students were sponsored to become Hafez of the Quraan at a local educational institute in Uttar Dinajpur.

Masjid Construction

2 Mosques were constructed.

Food Distribution

1,000 food parcels distributed for the holy month of Ramadhan & 1,000 at the time of Eid-ul-Fitr.

Visits

Due to the Corona Virus, it was decided not to send any MWI representative to any country. Projects were affected during the year. However, as per government guidelines, staff safety was put as a priority at all times.

Staffing Structure

The MWI has 5 full time and 2 part time employees. Also, 3 teachers are employed in Albania, who have come from India.

Financial review

Reserves policy

The financial position is regularly reviewed by the trustees to ensure effective financial governance. This includes monitoring of the cash and bank balances by the trustees. The trustees are confident the organisation will continue to be able to meet with its obligations as they fall due.

Sale of property

The MWI premises on 35 Wellington Street St Johns had been on the market for nearly 2 years. An offer of £245,000 was received during the year 2020. The trustees and senior staff decided to accept the offer. Property was handed over to the new buyers on Friday 27th November.

We moved into our new rented office on Monday 30th November. This is unit 301 at The Daisyfield Business Centre on Appleby Street. We are now on the lookout for a much larger property in a popular area

Structure, governance and management

Induction and training of new trustees

The power of appointing new Trustees is vested in the Trustees and there are informal procedures in place for the induction and training of new Trustees. Trustees are also encouraged to attend relevant briefings courses.

3 trustees decided to step down from their roles as trustees. They were replaced by another 2 trustees. The MWI still has 3 trustees in place, as per its constitution

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Muslim Welfare Institute has a risk management policy which is regularly revised to identify and address all kinds of risks every year. The existing management team is well equipped to discourse, manage and report the risks internally and externally. The indicated risks identified were successfully reviewed and assessed by the senior management and trustees during the reporting period. These risks, including strategic, governance and operational risks, have been identified and ranked in terms of impact and likelihood. The trustees are satisfied that systems are in place to monitor, manage and mitigate any exposure from these risks and ensure they are reviewed regularly.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MUSLIM WELFARE INSTITUTE

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Approved by order of the board of trustees on 27/10/2022 and signed on its behalf by:



.....
Mr Hasan Patel - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF MUSLIM WELFARE INSTITUTE

Opinion

We have audited the financial statements of Muslim Welfare Institute (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF MUSLIM WELFARE INSTITUTE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the trustees Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the charities sector;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
MUSLIM WELFARE INSTITUTE**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in notes to accounts were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.
- in response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
 - agreeing financial statement disclosures to underlying supporting documentation;
 - reading the minutes of meetings of those charged with governance;
 - enquiring of management as to actual and potential litigation and claims; and
 - reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Xeinadin Audit Ltd (Statutory Auditor)
36 Old Jewry
London
EC2R 8DD

Date: 31/10/2022

MUSLIM WELFARE INSTITUTE

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted fund £	2021 Total funds £	2020 Total funds £
Income and endowments from					
Donations and legacies	2	183,594	1,587,940	1,771,534	1,736,866
Other income		7,993	-	7,993	176,592
Total		<u>191,587</u>	<u>1,587,940</u>	<u>1,779,527</u>	<u>1,913,458</u>
Expenditure on					
Raising funds	3	4,405	-	4,405	3,710
Charitable activities	4				
Restricted expenditure		-	1,380,462	1,380,462	1,520,650
Unrestricted expenditure		151,564	-	151,564	184,807
Support costs		115,655	-	115,655	98,822
Total		<u>271,624</u>	<u>1,380,462</u>	<u>1,652,086</u>	<u>1,807,989</u>
NET INCOME/(EXPENDITURE)		(80,037)	207,478	127,441	105,469
Transfers between funds	11	27,472	(27,472)	-	-
Net movement in funds		<u>(52,565)</u>	<u>180,006</u>	<u>127,441</u>	<u>105,469</u>
Reconciliation of funds					
Total funds brought forward		347,303	81,550	428,853	323,384
Total funds carried forward		<u>294,738</u>	<u>261,556</u>	<u>556,294</u>	<u>428,853</u>

Continuing operations

All income and expenditure has arisen from continuing activities.

MUSLIM WELFARE INSTITUTE

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted fund £	2021 Total funds £	2020 Total funds £
Fixed assets					
Tangible assets	8	1,412	-	1,412	1,661
Current assets					
Debtors	9	260,404	64,050	324,454	128,305
Cash at bank and in hand		36,614	197,506	234,120	303,131
		<u>297,018</u>	<u>261,556</u>	<u>558,574</u>	<u>431,436</u>
Creditors					
Amounts falling due within one year	10	(3,692)	-	(3,692)	(4,244)
Net current assets		<u>293,326</u>	<u>261,556</u>	<u>554,882</u>	<u>427,192</u>
Total assets less current liabilities		<u>294,738</u>	<u>261,556</u>	<u>556,294</u>	<u>428,853</u>
NET ASSETS		<u>294,738</u>	<u>261,556</u>	<u>556,294</u>	<u>428,853</u>
Funds	11				
Unrestricted funds				294,738	347,303
Restricted funds				261,556	81,550
Total funds				<u>556,294</u>	<u>428,853</u>

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:



.....
Mr Hasan Patel - Trustee

MUSLIM WELFARE INSTITUTE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	(69,011)	(100,518)
Net cash used in operating activities		<u>(69,011)</u>	<u>(100,518)</u>
Cash flows from investing activities			
Sale of tangible fixed assets		-	244,798
Net cash provided by investing activities		<u>-</u>	<u>244,798</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(69,011)	144,280
Cash and cash equivalents at the beginning of the reporting period		303,131	158,851
Cash and cash equivalents at the end of the reporting period		<u>234,120</u>	<u>303,131</u>

The notes form part of these financial statements

MUSLIM WELFARE INSTITUTE

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	127,441	105,469
Adjustments for:		
Depreciation charges	249	293
Profit on disposal of fixed assets	-	(169,050)
Increase in debtors	(196,149)	(36,224)
Decrease in creditors	(552)	(1,006)
Net cash used in operations	<u>(69,011)</u>	<u>(100,518)</u>

2. Analysis of changes in net funds

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank and in hand	303,131	(69,011)	234,120
	<u>303,131</u>	<u>(69,011)</u>	<u>234,120</u>
Total	<u>303,131</u>	<u>(69,011)</u>	<u>234,120</u>

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charity, 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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

Tangible fixed assets

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

Fixtures and fittings - 15% on reducing balance

Taxation

The charity is exempt from 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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

1. Accounting policies - continued

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash and bank in hand, trade debtors and other debtors £558,574 (2020: £431,436). A specific provision is made for debts for which recoverability is in doubt. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes £1,356 (2020: £3,660).

Trade and other debtors

Trade and other debtors that are receivable within one year and do not constitute a financing transaction are recorded at the undiscounted amount expected to be received, net of impairment. Those that are receivable after more than one year or that constitute a financing transaction are recorded initially at fair value less transaction costs and subsequently at amortised cost, net of impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

2. Donations and legacies

	2021	2020
	£	£
Donations	1,771,534	1,736,866

3. Raising funds

Raising donations and legacies

	2021	2020
	£	£
Charity dinner	1,200	3,710
Support costs	3,330	-
	<u>4,530</u>	<u>3,710</u>

MUSLIM WELFARE INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

3. Raising funds - continued

Other trading activities

	2021 £	2020 £
Support costs	(125)	-
Aggregate amounts	<u>4,405</u>	<u>3,710</u>

4. Charitable activities costs

	Direct Costs £	Support costs (see note 5) £	Totals £
Restricted expenditure	1,380,462	-	1,380,462
Unrestricted expenditure	151,564	-	151,564
Support costs	2,790	112,865	115,655
	<u>1,534,816</u>	<u>112,865</u>	<u>1,647,681</u>

Expenditure on charitable activities comprises costs associated with the provision of emergency relief and other humanitarian developments, carried out by the charity, directly and through partner organizations worldwide. This is further analysed by country as follows.

Partner Organizations

	2021 £	2020 £
Institute Myslyhan Ndlhmes Shqiperi - Albania	781,548	690,080
Jamia Islamia Ishaatul Uloom Akkaluwa - India	381,777	595,390
Islahul Muslmeen Parishad - Bangladesh	<u>217,137</u>	<u>235,180</u>
	<u>1,380,462</u>	<u>1,520,650</u>

5. Support costs

	Management £	Finance £	Other £	Governance costs £	Totals £
Raising donations and legacies	-	2,085	1,245	-	3,330
Other trading activities	-	(125)	-	-	(125)
Support costs	102,524	1,211	2,260	6,870	112,865
	<u>102,524</u>	<u>3,171</u>	<u>3,505</u>	<u>6,870</u>	<u>116,070</u>

5. Support costs - continued

Support costs, included in the above, are as follows:

Management

	2021 Support costs £	2020 Total activities £
Wages	86,176	87,145
Other operating leases	3,621	203
Rates and water	230	2,181
Insurance	-	515
Light and heat	679	1,622
Telephone	1,047	433
Postage and stationery	9,225	6,142
Advertising	1,117	-
Sundries	180	1,596
Fixtures and fittings depreciation	249	293
	<u>102,524</u>	<u>100,130</u>

Finance

	Raising donations and legacies £	Other trading activities £	Support costs £	2021 Total activities £	2020 Total activities £
Bank charges	2,085	-	1,211	3,296	1,264
Exchange (Gain)/Loss	-	(125)	-	(125)	267
	<u>2,085</u>	<u>(125)</u>	<u>1,211</u>	<u>3,171</u>	<u>1,531</u>

Other

	Raising donations and legacies £	Support costs £	2021 Total activities £	2020 Total activities £
Repairs and renewals	1,245	2,260	3,505	-
Travel expenses	-	-	-	1,299
	<u>1,245</u>	<u>2,260</u>	<u>3,505</u>	<u>1,299</u>

MUSLIM WELFARE INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

5. **Support costs - continued**
Governance costs

	2021	2020
	Support	Total
	costs	activities
	£	£
Auditors' fee	4,800	4,800
Accountancy and legal fees	2,070	3,850
	<u>6,870</u>	<u>8,650</u>

6. **Trustees' remuneration and benefits**

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

7. **Staff costs**

	2021	2020
	£	£
Wages and salaries	86,176	87,145
	<u>86,176</u>	<u>87,145</u>

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

	2021	2020
Management	<u>6</u>	<u>8</u>

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

MUSLIM WELFARE INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 January 2021 and 31 December 2021	10,590
Depreciation	
At 1 January 2021	8,929
Charge for year	249
At 31 December 2021	9,178
Net book value	
At 31 December 2021	1,412
At 31 December 2020	1,661

9. Debtors: amounts falling due within one year

	2021 £	2020 £
Other debtors	260,408	50,387
Prepayments and accrued income	64,046	77,918
	<u>324,454</u>	<u>128,305</u>

10. Creditors: amounts falling due within one year

	2021 £	2020 £
Taxation and social security	32	584
Other creditors	3,660	3,660
	<u>3,692</u>	<u>4,244</u>

11. Movement in funds

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	188,011	(79,913)	27,472	135,570
Donations and legacies	159,292	(124)	-	159,168
	<u>347,303</u>	<u>(80,037)</u>	<u>27,472</u>	<u>294,738</u>
Restricted funds				
Donations and legacies	81,550	207,478	(27,472)	261,556
TOTAL FUNDS	<u>428,853</u>	<u>127,441</u>	<u>-</u>	<u>556,294</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

11. 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	191,462	(271,375)	(79,913)
Donations and legacies	125	(249)	(124)
	<u>191,587</u>	<u>(271,624)</u>	<u>(80,037)</u>
Restricted funds			
Donations and legacies	1,587,940	(1,380,462)	207,478
TOTAL FUNDS	<u><u>1,779,527</u></u>	<u><u>(1,652,086)</u></u>	<u><u>127,441</u></u>

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	11,000	177,011	188,011
Donations and legacies	159,585	(293)	159,292
	<u>170,585</u>	<u>176,718</u>	<u>347,303</u>
Restricted funds			
Donations and legacies	152,799	(71,249)	81,550
TOTAL FUNDS	<u><u>323,384</u></u>	<u><u>105,469</u></u>	<u><u>428,853</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	464,057	(287,046)	177,011
Donations and legacies	-	(293)	(293)
	<u>464,057</u>	<u>(287,339)</u>	<u>176,718</u>
Restricted funds			
Donations and legacies	1,449,401	(1,520,650)	(71,249)
TOTAL FUNDS	<u><u>1,913,458</u></u>	<u><u>(1,807,989)</u></u>	<u><u>105,469</u></u>

11. Movement in funds - continued

Purpose of Unrestricted Funds

General Fund

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. This fund are used for various administrative and support activities.

Purpose of Restricted Funds

Lillah, Zakat and Sadqah

Restricted funds can only be used for particular restricted purposes within the objectives of the charity. Restriction arise when specified by donor or when funds are raised for particular restricted purposes. Zakat and Sadqah is used for charitable activity to help and support poor and needy people eligible for Zakat and Sadqah.

12. Related party disclosures

There were no related party transactions for the year ended 31 December 2021.