

**MUSLIM WELFARE INSTITUTE  
TRUSTEES' REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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

**MUSLIM WELFARE INSTITUTE**

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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**MUSLIM WELFARE INSTITUTE**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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<b>Trustees</b>	Mr Yusuf Ibrahim Ahmed Moosa Mr Aziz Raje Mr Hasan Patel
<b>Principal address</b>	Unit 301 Daisyfield Business Centre Daisyfield Mill, Appleby Street Blackburn Lancashire BB1 3BL
<b>Registered charity number</b>	1066665
<b>Auditors</b>	Xeinadin Audit Ltd (Statutory Auditor) 36 Old Jewry London EC2R 8DD

## MUSLIM WELFARE INSTITUTE

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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The trustees present their report with the financial statements of the charity for the year ended 31 December 2022. 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**

##### **Charitable activities**

This year's annual report covers the 7 countries we are working in at present. We have separated the countries into 3 regions:

The Balkans which covers Albania, Bosnia and Macedonia.

United Kingdom which covers England.

Asia which covers Bangladesh, India and West Bengal.

#### **The Balkans**

##### **Albania**

Dar-e Arqam Education Centre

Our new Dar - e - Arqam Education Centre in Tirana completed its third full year during 2022.

##### **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 2022. 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 7th 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**

9 Mosques were renovated throughout the year 2022. Out of these, 6 were on behalf of the Ummah Welfare Trust (UWT).

##### **Food Distribution Project**

To assist needy families, we distributed:

1500 meat bags on the occasion of Eid-ul-Adha.

2000 food packs during the Holy month of Ramadhan & at the time of Eid-ul-Fitr.

## MUSLIM WELFARE INSTITUTE

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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#### **Educational Projects**

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

#### **Orphans Sponsorship**

550 orphans 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 and 2022.

#### **Widows Sponsorship**

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

#### **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.

#### **Students scholarships**

5 students sponsored for scholarships at the Darul Uloom in Azadville in South Africa.

#### **United Kingdom**

##### **England**

##### **Hardship Assistance Programme:**

##### **Blackburn:**

Assistance was provided to a number of families who were going through difficult circumstances. Food, clothing, basic essentials, rental payments etc etc were provided. We worked closely with the refugees organisation here in Blackburn, who carried out the due diligence checks.

##### **Asylum seekers/ Refugees:**

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

#### **Asia**

##### **Bangladesh**

##### **Orphanage Project**

Our orphanage constructed at the village of Begumpur completed its 18th 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 were funded where approx. 1500 children acquire secular & religious education.

##### **Food Distribution**

Approx. 1250 families were provided with Iftaar Packs in Ramadhan.  
Approx. 1500 gift packs were distributed prior to the festival of Eid-ul-Fitr.  
600 meat bags were distributed on the occasion of Eid-ul-Adha.

##### **Orphans Sponsorship**

30 orphans sponsored.

## MUSLIM WELFARE INSTITUTE

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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#### **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 35 couples who got married at the group weddings programmes that were organised during the year.

#### **Medical Projects**

100 cataract operations were performed.

#### **Winter Clothing**

1000 winter packs distributed during the winter period.

### **India**

#### **Masjid Construction**

4 Masjids constructed.

#### **Weddings Programme**

80 weddings financed.

#### **Cataract Operations**

200 operations carried out.

#### **Dialysis Services**

400 dialysis services carried out.

#### **Food Distribution**

2000 food parcels distributed during the holy month of Ramadhan & 2500 at the time of Eid-ul-Fitr.

#### **Widows/Orphans Sponsorship**

100 orphans were sponsored in and around the Ahmedabad area.

#### **West Bengal/ Bihar**

##### **Students sponsorship**

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

#### **Masjid Construction**

3 Masjids were constructed.

#### **Food Distribution**

1000 food parcels distributed for the holy month of Ramadhan & 1000 at the time of Eid-ul-Fitr.

#### **Visits**

MWI representatives/staff visited all the countries that we are working in, to assess and see the projects first hand and ensure they are running smoothly.

### **Staffing Structure**

The MWI has 4 full time paid staff. Also, 3 teachers are employed in Albania, who have come from India.

### **Property sale**

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 Suite 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**

#### **Charity constitution**

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 in 2021 year end. The MWI still has 3 trustees in place, as per it's 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.

MUSLIM WELFARE INSTITUTE

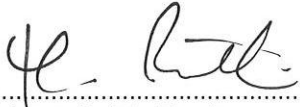
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**Statement of trustees' responsibilities - continued**

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.

Approved by order of the board of trustees on 2.6.2023 and signed on its behalf by:



.....  
Mr Hasan Patel - Trustee

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

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### **Opinion**

We have audited the financial statements of Muslim Welfare Institute (the 'charity') for the year ended 31 December 2022 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 2022 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

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### **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**

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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. 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](http://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: ..... 5/6/2023 .....

MUSLIM WELFARE INSTITUTE

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £	Restricted fund £	2022 Total funds £	2021 Total funds £
<b>Income and endowments from</b>					
Donations and legacies	2	285,094	1,233,464	1,518,558	1,771,534
Other income		-	-	-	7,993
<b>Total</b>		<u>285,094</u>	<u>1,233,464</u>	<u>1,518,558</u>	<u>1,779,527</u>
<b>Expenditure on</b>					
Raising funds	3	10,348	-	10,348	4,405
<b>Charitable activities</b>	4				
Restricted expenditure		-	1,396,550	1,396,550	1,380,462
Unrestricted expenditure		89,367	-	89,367	151,564
Support costs		127,604	-	127,604	115,655
<b>Total</b>		<u>227,319</u>	<u>1,396,550</u>	<u>1,623,869</u>	<u>1,652,086</u>
<b>NET INCOME/(EXPENDITURE)</b>		57,775	(163,086)	(105,311)	127,441
<b>Transfers between funds</b>	11	32,609	(32,609)	-	-
<b>Net movement in funds</b>		90,384	(195,695)	(105,311)	127,441
<b>Reconciliation of funds</b>					
Total funds brought forward		294,738	261,556	556,294	428,853
<b>Total funds carried forward</b>		<u><u>385,122</u></u>	<u><u>65,861</u></u>	<u><u>450,983</u></u>	<u><u>556,294</u></u>

**Continuing operations**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

MUSLIM WELFARE INSTITUTE

STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2022

	Notes	Unrestricted funds £	Restricted fund £	2022 Total funds £	2021 Total funds £
<b>Fixed assets</b>					
Tangible assets	8	1,455	-	1,455	1,412
<b>Current assets</b>					
Debtors	9	371,937	-	371,937	324,454
Cash at bank and in hand		15,648	65,861	81,509	234,120
		<u>387,585</u>	<u>65,861</u>	<u>453,446</u>	<u>558,574</u>
<b>Creditors</b>					
Amounts falling due within one year	10	(3,918)	-	(3,918)	(3,692)
<b>Net current assets</b>		<u>383,667</u>	<u>65,861</u>	<u>449,528</u>	<u>554,882</u>
<b>Total assets less current liabilities</b>		<u>385,122</u>	<u>65,861</u>	<u>450,983</u>	<u>556,294</u>
<b>NET ASSETS</b>		<u>385,122</u>	<u>65,861</u>	<u>450,983</u>	<u>556,294</u>
<b>Funds</b>	11				
Unrestricted funds				385,122	294,738
Restricted funds				65,861	261,556
<b>Total funds</b>				<u>450,983</u>	<u>556,294</u>

The financial statements were approved by the Board of Trustees and authorised for issue on .....2.6.2023..... and were signed on its behalf by:

  
.....  
Mr Hasan Patel - Trustee

MUSLIM WELFARE INSTITUTE

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(152,311)</u>	<u>(69,011)</u>
Net cash used in operating activities		<u>(152,311)</u>	<u>(69,011)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(300)</u>	<u>-</u>
Net cash (used in)/provided by investing activities		<u>(300)</u>	<u>-</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
		<u>(152,611)</u>	<u>(69,011)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>234,120</u>	<u>303,131</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>81,509</u>	<u>234,120</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 2022

<b>1.</b>	<b>Reconciliation of net (expenditure)/income to net cash flow from operating activities</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	<b>Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)</b>	(105,311)	127,441
	<b>Adjustments for:</b>		
	Depreciation charges	257	249
	Increase in debtors	(47,483)	(196,149)
	Increase/(decrease) in creditors	226	(552)
	<b>Net cash used in operations</b>	<u>(152,311)</u>	<u>(69,011)</u>

**2. Analysis of changes in net funds**

	At 1.1.22 £	Cash flow £	At 31.12.22 £
<b>Net cash</b>			
Cash at bank and in hand	234,120	(152,611)	81,509
	<u>234,120</u>	<u>(152,611)</u>	<u>81,509</u>
<b>Total</b>	<u>234,120</u>	<u>(152,611)</u>	<u>81,509</u>

The notes form part of these financial statements

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 £453,446 (2021: £558,574). A specific provision is made for debts for which reconcilability is in doubt. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes £258 (2021: £32).

**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

	2022	2021
	£	£
Donations	1,518,558	1,771,534

3. Raising funds

**Raising donations and legacies**

	2022	2021
	£	£
Charity dinner	5,526	1,200
Support costs	4,822	3,330
	<u>10,348</u>	<u>4,530</u>

3. Raising funds - continued

Other trading activities

	2022 £	2021 £
Support costs	-	(125)
Aggregate amounts	10,348	4,405

4. Charitable activities costs

	Direct Costs £	Support costs (see note 5) £	Totals £
Restricted expenditure	1,396,550	-	1,396,550
Unrestricted expenditure	89,367	-	89,367
Support costs	1,500	126,104	127,604
	<u>1,487,417</u>	<u>126,104</u>	<u>1,613,521</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

	2022 £	2021 £
Institute Myslyhan Ndlhmes Shqiperi - Albania	861,050	781,548
Jamia Islamia Ishaatul Uloom Akkaluwa - India	305,500	381,777
Islahul Muslmeen Parishad - Bangladesh	<u>230,000</u>	<u>217,137</u>
	<u>1,396,550</u>	<u>1,380,462</u>

5. Support costs

	Management £	Finance £	Other £	Governance costs £	Totals £
Raising donations and legacies	-	3,486	1,336	-	4,822
Support costs	113,797	415	5,022	6,870	126,104
	<u>113,797</u>	<u>3,901</u>	<u>6,358</u>	<u>6,870</u>	<u>130,926</u>

5. Support costs - continued

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

**Management**

	<b>2022</b>	<b>2021</b>
	<b>Support costs</b>	<b>Total activities</b>
	<b>£</b>	<b>£</b>
Wages	94,757	86,176
Social security	237	-
Other operating leases	6,181	3,621
Rates and water	1,211	230
Light and heat	1,612	679
Telephone	721	1,047
Postage and stationery	8,449	9,225
Advertising	-	1,117
Sundries	372	180
Fixtures and fittings depreciation	257	249
	<u>113,797</u>	<u>102,524</u>

**Finance**

	<b>Raising donations and legacies</b>	<b>Support costs</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>Total activities</b>	<b>Total activities</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank charges	3,486	415	3,901	3,296
Exchange (Gain)/Loss	-	-	-	(125)
	<u>3,486</u>	<u>415</u>	<u>3,901</u>	<u>3,171</u>

**Other**

	<b>Raising donations and legacies</b>	<b>Support costs</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>Total activities</b>	<b>Total activities</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Repairs and renewals	1,336	2,012	3,348	3,505
Motor expenses	-	505	505	-
Travel expenses	-	2,505	2,505	-
	<u>1,336</u>	<u>5,022</u>	<u>6,358</u>	<u>3,505</u>

5. Support costs - continued  
Governance costs

	2022 Support costs £	2021 Total activities £
Auditors' fee	4,800	4,800
Accountancy and legal fees	2,070	2,070
	<u>6,870</u>	<u>6,870</u>

6. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

7. Staff costs

	2022 £	2021 £
Wages and salaries	94,757	86,176
Social security costs	237	-
	<u>94,994</u>	<u>86,176</u>

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

	2022	2021
Management	<u>7</u>	<u>6</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 2022

8. Tangible fixed assets				Fixtures and fittings £	
<b>Cost</b>					
At 1 January 2022				10,590	
Additions				300	
At 31 December 2022				<u>10,890</u>	
<b>Depreciation</b>					
At 1 January 2022				9,178	
Charge for year				257	
At 31 December 2022				<u>9,435</u>	
<b>Net book value</b>					
At 31 December 2022				<u>1,455</u>	
At 31 December 2021				<u>1,412</u>	
9. Debtors: amounts falling due within one year		2022	2021		
		£	£		
Other debtors		330,387	260,408		
Prepayments and accrued income		41,550	64,046		
		<u>371,937</u>	<u>324,454</u>		
10. Creditors: amounts falling due within one year		2022	2021		
		£	£		
Taxation and social security		258	32		
Other creditors		3,660	3,660		
		<u>3,918</u>	<u>3,692</u>		
11. Movement in funds					
	At 1.1.22	Net	Transfers	At	
	£	movement	between	31.12.22	
		in funds	funds	£	
		£	£	£	
<b>Unrestricted funds</b>					
General fund	294,738	57,775	32,609	385,122	
<b>Restricted funds</b>					
Donations and legacies	261,556	(163,086)	(32,609)	65,861	
<b>TOTAL FUNDS</b>	<u>556,294</u>	<u>(105,311)</u>	<u>-</u>	<u>450,983</u>	

11. Movement in funds - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	285,094	(227,319)	57,775
<b>Restricted funds</b>			
Donations and legacies	1,233,464	(1,396,550)	(163,086)
<b>TOTAL FUNDS</b>	<u>1,518,558</u>	<u>(1,623,869)</u>	<u>(105,311)</u>

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
<b>Unrestricted funds</b>				
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>
<b>Restricted funds</b>				
Donations and legacies	81,550	207,478	(27,472)	261,556
<b>TOTAL FUNDS</b>	<u>428,853</u>	<u>127,441</u>	<u>-</u>	<u>556,294</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
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>
<b>Restricted funds</b>			
Donations and legacies	1,587,940	(1,380,462)	207,478
<b>TOTAL FUNDS</b>	<u>1,779,527</u>	<u>(1,652,086)</u>	<u>127,441</u>

Purpose of Unrestricted Funds

General Fund

**11. Movement in funds - continued**

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 2022.