

Charity registration number 1066665 (England and Wales)

MUSLIM WELFARE INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024



MUSLIM WELFARE INSTITUTE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr H M Patel
Mr Y Moosa
Mr A Raje

Charity number (England and Wales)

1066665

Principal address

Unit 301
Daisyfield Business Centre
Blackburn
Lancashire
BB1 3BL

Auditor

Xeinadin Audit Limited
Ground Floor, Citygate
Longridge Road
Preston
Lancashire
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MUSLIM WELFARE INSTITUTE

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MUSLIM WELFARE INSTITUTE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

Objectives and activities

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

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. The charity run on the basis of public benefit and not for profit purpose.

Achievements and performance

Significant activities and achievements against objectives

This years 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 fourth full year during 2024.

Residential Institute - Belesh

Our residential institute at one of the local Mosques in the village of Belesh had been running for over 15 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 throughout the year.

Non Residential Institute – Laknas

Our non residential institute opened in Laknas in 2015 and completed its 8th 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

6 Mosques were renovated throughout the year 2024.

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.

Educational Projects

100 classes were funded by the MWI where over 1000 students received free education.

Orphans Sponsorship

550 orphans were sponsored for 12 months.

MUSLIM WELFARE INSTITUTE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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 2024.

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.

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 organisations 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.

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.

MUSLIM WELFARE INSTITUTE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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.

Fundraising practices

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.

Financial review

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three to six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Structure, governance and management

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr H M Patel

Mr Y Moosa

Mr A Raje

Recruitment and appointment of trustees

Organisational structure

The MWI trustee structure remains the same. No changes or amendments during the year.

MUSLIM WELFARE INSTITUTE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Other matters

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 risk 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.

Property Purchase

The MWI bought another premises on 18th April 2024 situated on Emerald Street this was previously a nursery, total amount paid £237,814, these premises are used for daily prayers, evening after school activities, charity events to help needy people, refugees, asylum seekers and information sessions to help the local community.

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).


The law applicable to charities in England and Wales 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 of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and 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.

The trustees' report was approved by the Board of Trustees.



Mr H M Patel

Trustee

Date: 18/09/25

MUSLIM WELFARE INSTITUTE

INDEPENDENT AUDITOR'S REPORT

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 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 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; and
- have been prepared in accordance with 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 *Auditor's 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

MUSLIM WELFARE INSTITUTE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MUSLIM WELFARE INSTITUTE

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor 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 an auditor's report 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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 and 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.

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 journals 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.

MUSLIM WELFARE INSTITUTE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF MUSLIM WELFARE INSTITUTE

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

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 auditor's 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.



(Senior Statutory Auditor)

For and on behalf of Xeinadin Audit Limited, Statutory Auditor

Chartered Accountants

Ground Floor, Citygate

Longridge Road

Preston

Lancashire

PR2 5BQ

United Kingdom

Date: 22/09/2025

Xeinadin Audit Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

MUSLIM WELFARE INSTITUTE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	2	275,289	1,026,572	1,301,861	120,594	1,475,809	1,596,403
Total income		<u>275,289</u>	<u>1,026,572</u>	<u>1,301,861</u>	<u>120,594</u>	<u>1,475,809</u>	<u>1,596,403</u>
Expenditure on:							
Raising funds	3	9,612	-	9,612	10,000	-	10,000
Charitable activities	4	152,433	1,007,945	1,160,378	190,186	1,519,414	1,709,600
Total expenditure		<u>162,045</u>	<u>1,007,945</u>	<u>1,169,990</u>	<u>200,186</u>	<u>1,519,414</u>	<u>1,719,600</u>
Net income/(expenditure)		113,244	18,627	131,871	(79,592)	(43,605)	(123,197)
Transfers between funds		24,846	(24,846)	-	11,827	(11,827)	-
Net movement in funds	6	138,090	(6,219)	131,871	(67,765)	(55,432)	(123,197)
Reconciliation of funds:							
Fund balances at 1 January 2024		317,357	10,429	327,786	385,122	65,861	450,983
Fund balances at 31 December 2024		<u>455,447</u>	<u>4,210</u>	<u>459,657</u>	<u>317,357</u>	<u>10,429</u>	<u>327,786</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

MUSLIM WELFARE INSTITUTE

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	10		234,109		1,237
Current assets					
Debtors	11	189,549		303,543	
Cash at bank and in hand		40,800		27,406	
		<u>230,349</u>		<u>330,949</u>	
Creditors: amounts falling due within one year	12	<u>(4,801)</u>		<u>(4,400)</u>	
Net current assets			<u>225,548</u>		<u>326,549</u>
Total assets less current liabilities			<u>459,657</u>		<u>327,786</u>
The funds of the charity					
Restricted income funds	13		4,210		10,429
Unrestricted funds	14		455,447		317,357
			<u>459,657</u>		<u>327,786</u>

The financial statements were approved by the trustees on18/09/25


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Mr H M Patel
Trustee

MUSLIM WELFARE INSTITUTE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	17		251,208		(54,103)
Investing activities					
Purchase of tangible fixed assets		(237,814)		-	
Net cash used in investing activities			(237,814)		-
Net cash generated from financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			13,394		(54,103)
Cash and cash equivalents at beginning of year			27,406		81,509
Cash and cash equivalents at end of year			40,800		27,406

MUSLIM WELFARE INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Muslim Welfare Institute is a Unincorporated charity. The registered office address is Unit 301, Daisyfield Mill, Appleby Street, Blackburn, BB1 3BL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

MUSLIM WELFARE INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line method
Fixtures and fittings	15% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

MUSLIM WELFARE INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	275,289	1,026,572	1,301,861	120,594	1,475,809	1,596,403

3 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising and publicity		
Staging fundraising events	9,612	10,000

MUSLIM WELFARE INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

4 Expenditure on charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
Direct costs		
Albania project	810,261	915,197
India projects	40,055	377,705
Bangladesh projects	150,188	150,212
West Bengal	-	30,055
Other donations	3,652	99,094
Adoption and hardship project	7,450	10,960
North Macedonia	7,440	-
	<u>1,019,046</u>	<u>1,583,223</u>
Share of support and governance costs (see note 5)		
Support	141,332	126,377
	<u>1,160,378</u>	<u>1,709,600</u>
Analysis by fund		
Unrestricted funds	152,433	190,186
Restricted funds	1,007,945	1,519,414
	<u>1,160,378</u>	<u>1,709,600</u>

MUSLIM WELFARE INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5 Support costs allocated to activities

	2024	2023
	£	£
Staff costs	78,347	86,296
Depreciation	4,942	218
Operating lease charges	4,813	5,215
Rates and water	847	215
Insurance	389	389
Light and heat	2,404	1,265
Telephone	711	612
Postage and stationary	6,954	9,109
Advertising	96	-
Sundries	10,189	5,102
Bank charges	3,189	3,099
Repairs and renewals	8,908	2,435
Travel expenses	8,034	4,832
Governance costs	11,509	7,590
	<u>141,332</u>	<u>126,377</u>
Analysed between:		
Charitable activities	<u>141,332</u>	<u>126,377</u>

6 Net movement in funds

	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	5,149	5,520
Depreciation of owned tangible fixed assets	4,942	218
Operating lease charges	4,813	5,215
	<u>14,904</u>	<u>10,953</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Employees

The average monthly number of employees during the year was:

2024	2023
Number	Number
<u>5</u>	<u>5</u>

MUSLIM WELFARE INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

8 Employees (Continued)

Employment costs	2024 £	2023 £
Wages and salaries	78,316	84,866
Social security costs	31	1,430
	<u>78,347</u>	<u>86,296</u>

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

No remuneration of key management personnel during the year.

9 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

10 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 January 2024	-	10,890	10,890
Additions	237,814	-	237,814
At 31 December 2024	<u>237,814</u>	<u>10,890</u>	<u>248,704</u>
Depreciation and impairment			
At 1 January 2024	-	9,653	9,653
Depreciation charged in the year	4,756	186	4,942
At 31 December 2024	<u>4,756</u>	<u>9,839</u>	<u>14,595</u>
Carrying amount			
At 31 December 2024	<u>233,058</u>	<u>1,051</u>	<u>234,109</u>
At 31 December 2023	<u>-</u>	<u>1,237</u>	<u>1,237</u>

11 Debtors

Amounts falling due within one year:	2024 £	2023 £
Other debtors	135,389	235,387
Prepayments and accrued income	54,160	68,156
	<u>189,549</u>	<u>303,543</u>

MUSLIM WELFARE INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

12 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other taxation and social security	230	20
Other creditors	191	-
Accruals and deferred income	4,380	4,380
	<u>4,801</u>	<u>4,400</u>

13 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 31 December 2024
	£	£	£	£	£
Donations and legacies	<u>10,429</u>	<u>1,026,572</u>	<u>(1,007,945)</u>	<u>(24,846)</u>	<u>4,210</u>
Previous year:	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
Donations and legacies	<u>65,861</u>	<u>1,475,809</u>	<u>(1,519,414)</u>	<u>(11,827)</u>	<u>10,429</u>

14 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 31 December 2024
	£	£	£	£	£
General funds	<u>317,357</u>	<u>275,289</u>	<u>(162,045)</u>	<u>24,846</u>	<u>455,447</u>
Previous year:	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
General funds	<u>385,122</u>	<u>120,594</u>	<u>(200,186)</u>	<u>11,827</u>	<u>317,357</u>

MUSLIM WELFARE INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

15 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 December 2024:			
Tangible assets	234,109	-	234,109
Current assets/(liabilities)	221,338	4,210	225,548
	<u>455,447</u>	<u>4,210</u>	<u>459,657</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Tangible assets	1,237	-	1,237
Current assets/(liabilities)	316,120	10,429	326,549
	<u>317,357</u>	<u>10,429</u>	<u>327,786</u>

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.

16 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

MUSLIM WELFARE INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

17 Cash generated from/(absorbed by) operations	2024 £	2023 £
Surplus/(deficit) for the year	131,871	(123,197)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	4,942	218
Movements in working capital:		
Decrease in debtors	113,994	68,395
Increase in creditors	401	481
Cash generated from/(absorbed by) operations	<u>251,208</u>	<u>(54,103)</u>