

Iraqi Welfare Association
Unaudited Financial Statements
31 July 2021

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Iraqi Welfare Association

Financial Statements

Year ended 31 July 2021

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Iraqi Welfare Association

Trustees' Annual Report

Year ended 31 July 2021

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 July 2021.

Reference and administrative details

Registered charity name Iraqi Welfare Association

Charity registration number 1058672

Principal office 85 York Street
London
W1H 4QA
United Kingdom

The trustees

Mr Thamir Hassan
Dr Abdul Sahib El-Radhi
Ms Amina Al-Ebadi
Mr Maher George
Dr Adnan Hashim
Ms Nidhal Al-Jiboury (Appointed 1 March 2021)
Ms Fatima Tayyar (Resigned 21 February 2021)
Mr Tariq Omran

Independent examiner Abdul Virji FCA
3 Exhibition House
Addison Bridge Place
London
W14 8XP

Structure, governance and management

Governing Document

The organisation was registered as a charity on 15th October 1996 and is governed by its constitution dated 20th April 1996, as amended on 15th April 2018.

Organisational Structure

Iraqi Welfare Association has a Management Committee of 7 trustees who meet every 6 weeks and are responsible for the strategic direction and policy of the charity.

Risk Management

The Management Committee has conducted a review of the major risks to which the charity is exposed to and continues to monitor this on an ongoing basis. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the centre. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Iraqi Welfare Association

Trustees' Annual Report *(continued)*

Year ended 31 July 2021

Structure, governance and management *(continued)*

Organisation's Policies

IWA has produced a set of policy documents to enable the charity to operate within the Charity Commission's rules and procedures, and Government's legislation, and also to protect the name and integrity of the charity.

We have produced and adopted the following policies;

- Complaints Procedures
- Anti-corruption and anti-bribery policy
- Youth & vulnerable adult safeguarding Policy
- IWA Data protection Policy
- Reserve Policy
- Equal Opportunities Policy
- Finance Policy and Procedures
- Volunteering Policy

Objectives and activities

The charity's objectives are;

- The relief of poverty, sickness and distress and the advancement of education, particularly among Iraqis wherever they may be.
- To provide or assist in the provision of facilities in the interest of social welfare for recreation or other leisure time occupation of individuals who have need of such facilities, by reasons of their youth, age infirmity or disability, financial hardship with object of improving their conditions of life.
- To promote social inclusion of members of the Iraqi community in the UK by preventing them from becoming socially excluded and assisting them to integrate in society.
- To be a resource for members of the Iraqi community by providing advice, assistance. Support, training and workshops in order to develop their skills, capacities and to enable them to fully participate in society.

The Trustees have complied with the duty in section 17 of the Charities Act 2011.

Achievements and performance

The Trustees consider that the performance of the charity this year has been satisfactory.

Financial review

Against the backdrop of limited resources the charity has continued to plan or develop its services. With the aid of sound financial management and the support of both its staff and volunteers, the charity has achieved a satisfactory outcome for the year, with sufficient resources to continue its normal activities in the forthcoming years. The charity has a policy of keeping at least 6 months support costs as reserve at all times, which for the year is £100,000.

Plans for future periods

The charity intends to continue its activities in pursuance of its listed defined objectives.

Iraqi Welfare Association

Trustees' Annual Report *(continued)*

Year ended 31 July 2021

The trustees' annual report was approved on 12 May 2022 and signed on behalf of the board of trustees by:

Mr Thamir Hassan
Trustee

Iraqi Welfare Association

Independent Examiner's Report to the Trustees of Iraqi Welfare Association

Year ended 31 July 2021

I report to the trustees on my examination of the financial statements of Iraqi Welfare Association ('the charity') for the year ended 31 July 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Abdul Virji FCA
Independent Examiner

3 Exhibition House
Addison Bridge Place
London
W14 8XP

Iraqi Welfare Association
Statement of Financial Activities
Year ended 31 July 2021

		2021		2020
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	988,659	988,659	347,643
Investment income	5	6,188	6,188	12,043
Total income		<u>994,847</u>	<u>994,847</u>	<u>359,686</u>
Expenditure				
Expenditure on charitable activities	6,7	914,450	914,450	413,307
Total expenditure		<u>914,450</u>	<u>914,450</u>	<u>413,307</u>
Net income/(expenditure) and net movement in funds		<u>80,397</u>	<u>80,397</u>	<u>(53,621)</u>
Reconciliation of funds				
Total funds brought forward		157,434	157,434	211,055
Total funds carried forward		<u>237,831</u>	<u>237,831</u>	<u>157,434</u>

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

The notes on pages 8 to 14 form part of these financial statements.

Iraqi Welfare Association
Statement of Financial Position
31 July 2021

	Note	2021 £	£	2020 £
Fixed assets				
Tangible fixed assets	13		2,659	1,087
Current assets				
Debtors	14	5,000		5,000
Cash at bank and in hand		236,567		154,293
		<u>241,567</u>		<u>159,293</u>
Creditors: amounts falling due within one year	15	<u>6,395</u>		<u>2,946</u>
Net current assets			<u>235,172</u>	<u>156,347</u>
Total assets less current liabilities			<u>237,831</u>	<u>157,434</u>
Net assets			<u><u>237,831</u></u>	<u><u>157,434</u></u>
Funds of the charity				
Unrestricted funds			<u>237,831</u>	<u>157,434</u>
Total charity funds	16		<u><u>237,831</u></u>	<u><u>157,434</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 12 May 2022, and are signed on behalf of the board by:

Mr Thamir Hassan
Trustee

The notes on pages 8 to 14 form part of these financial statements.

Iraqi Welfare Association

Statement of Cash Flows

Year ended 31 July 2021

	2021 £	2020 £
Cash flows from operating activities		
Net income/(expenditure)	80,397	(53,621)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	1,095	854
Dividends, interest and rents from investments	(6,000)	(12,000)
Other interest receivable and similar income	(188)	(43)
Interest payable and similar charges	210	362
Accrued expenses/(income)	2,874	(2,694)
<i>Changes in:</i>		
Trade and other creditors	575	(1,639)
Cash generated from operations	78,963	(68,781)
Interest paid	(210)	(362)
Interest received	188	43
Net cash from/(used in) operating activities	78,941	(69,100)
Cash flows from investing activities		
Dividends, interest and rents from investments	6,000	12,000
Purchase of tangible assets	(2,667)	(1,315)
Net cash from investing activities	3,333	10,685
Net increase/(decrease) in cash and cash equivalents	82,274	(58,415)
Cash and cash equivalents at beginning of year	154,293	212,708
Cash and cash equivalents at end of year	236,567	154,293

The notes on pages 8 to 14 form part of these financial statements.

Iraqi Welfare Association
Notes to the Financial Statements
Year ended 31 July 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 7 Rutherford Way, Wembley, HA9 0BP, Middlesex.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of the general objectives of the charity.

Restricted funds are funds which have restrictions imposed by the donors. These can only be utilised in accordance with the donors' wishes and are not available for any other use. Restricted funds also include amounts collected as agents and are shown separately in the financial statements.

Designated funds are funds which have been set aside or utilised for a specific purpose and are not available for general use. Some designated funds can be recognised as income over a period, and these are shown in the movement of funds and in the income and expenditure account.

Iraqi Welfare Association

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Costs of generating funds comprising the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It included both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Support costs are incurred to facilitate activities and include the central office functions such as general management, payroll administration, budgeting and accounting, information technology, human resources and finance.

Tangible assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 25% straight line
Equipment	- 25% straight line

Iraqi Welfare Association

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Iraqi Welfare Association

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
HMRC Gift Aid	132,158	132,158	79,752	79,752
Donations	767,664	767,664	237,217	237,217
Events & Trips	1,506	1,506	1,785	1,785
Grants received	87,331	87,331	28,889	28,889
	<u>988,659</u>	<u>988,659</u>	<u>347,643</u>	<u>347,643</u>

5. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from investment properties	6,000	6,000	12,000	12,000
Bank interest receivable	188	188	43	43
	<u>6,188</u>	<u>6,188</u>	<u>12,043</u>	<u>12,043</u>

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Financial Assistance	665,225	665,225	263,733	263,733
Newsletter and Magazines	3,698	3,698	7,270	7,270
Events and Functions	78,415	78,415	25,520	25,520
Support costs	167,112	167,112	116,784	116,784
	<u>914,450</u>	<u>914,450</u>	<u>413,307</u>	<u>413,307</u>

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Financial Assistance	665,225	163,380	828,605	377,069
Newsletter and Magazines	3,698	–	3,698	7,270
Events and Functions	78,415	–	78,415	25,520
Governance costs	–	3,732	3,732	3,448
	<u>747,338</u>	<u>167,112</u>	<u>914,450</u>	<u>413,307</u>

Iraqi Welfare Association

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

8. Analysis of support costs

	Financial Assistance	Total 2021	Total 2020
	£	£	£
Staff costs	62,103	62,103	20,327
Premises	34,858	34,858	28,505
Communications and IT	391	391	326
General office	5,415	5,415	5,285
Finance costs	210	210	362
Governance costs	3,552	3,552	3,450
Insurance	903	903	532
Legal & professional fees	58,407	58,407	56,509
Depreciation	1,094	1,094	855
Promotion	—	—	634
	<u>166,933</u>	<u>166,933</u>	<u>116,785</u>

9. Net income/(expenditure)

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

	2021	2020
	£	£
Depreciation of tangible fixed assets	<u>1,095</u>	<u>854</u>

10. Independent examination fees

	2021	2020
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>750</u>	<u>750</u>

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	<u>62,103</u>	<u>20,327</u>

The average head count of employees during the year was Nil (2020: 4).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees

Iraqi Welfare Association

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

13. Tangible fixed assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 August 2020	1,173	48,693	49,866
Additions	–	2,667	2,667
At 31 July 2021	<u>1,173</u>	<u>51,360</u>	<u>52,533</u>
Depreciation			
At 1 August 2020	1,171	47,608	48,779
Charge for the year	–	1,095	1,095
At 31 July 2021	<u>1,171</u>	<u>48,703</u>	<u>49,874</u>
Carrying amount			
At 31 July 2021	<u>2</u>	<u>2,657</u>	<u>2,659</u>
At 31 July 2020	<u>2</u>	<u>1,085</u>	<u>1,087</u>

14. Debtors

	2021	2020
	£	£
Prepayments and accrued income	<u>5,000</u>	<u>5,000</u>

15. Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals and deferred income	5,820	2,946
Social security and other taxes	<u>575</u>	<u>–</u>
	<u>6,395</u>	<u>2,946</u>

16. Analysis of charitable funds

Unrestricted funds

	At 1 August 2020	Income £	Expenditure £	At 31 July 2021
	£	£	£	£
General funds	<u>157,434</u>	<u>994,847</u>	<u>(914,450)</u>	<u>237,831</u>

	At 1 August 2019	Income £	Expenditure £	At 31 July 2020
	£	£	£	£
General funds	<u>211,055</u>	<u>359,686</u>	<u>(413,307)</u>	<u>157,434</u>

Iraqi Welfare Association

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

17. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2021
	£	£
Tangible fixed assets	2,659	2,659
Current assets	241,567	241,567
Creditors less than 1 year	(6,215)	(6,215)
Net assets	<u>238,011</u>	<u>238,011</u>

	Unrestricted Funds	Total Funds 2020
	£	£
Tangible fixed assets	1,087	1,087
Current assets	159,293	159,293
Creditors less than 1 year	(2,946)	(2,946)
Net assets	<u>157,434</u>	<u>157,434</u>

18. Analysis of changes in net debt

	At 1 Aug 2020	Cash flows	At 31 Jul 2021
	£	£	£
Cash at bank and in hand	<u>154,293</u>	<u>82,274</u>	<u>236,567</u>