

# **SOCIAL WELFARE & EDUCATION TRUST**

## **ACCOUNTS FOR THE YEAR ENDED**

**30 JUNE 2021**

**Charity No: 1137331**

SOCIAL WELFARE & EDUCATION TRUST

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**TRUSTEES AND PROFESSIONAL ADVISORS**

**TRUSTEES:** Mr Zulfaqar Ali Yusaf  
Mr Ahmed Ali  
Mr Khalid Mahmood  
Mohammad Tariq Rehman Malik

**MAIN OFFICE:** 40 Foxland Road  
Gatley  
Cheadle  
SK8 4QB

**BANKERS:** Royal Bank of Scotland  
Cheadle Hulme Branch  
2 Station Road  
Cheadle Hulme  
Cheadle  
SK8 5AE

**ACCOUNTANTS:** Ferguson & Co  
Chartered Certified Accountants  
651 Mauldeth Road West  
Chorlton  
Manchester  
M21 7SA

The Trustees present their report and financial statements of the charity for the year ended 30 June 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and 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 published (FRS 102) (effective 1 January 2015).

## **STATUS**

Social Welfare & Education Trust is a registered charity under the charity number 1137331.

It has no taxable activities and is therefore not liable to UK taxation. It is, however, unable to reclaim VAT on expenditure incurred.

## **Trustees**

The trustees of the charity, under the trust deed, are known as Board members with voting rights. They have no beneficial interest in the charity. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts. The trustees undertake a skills audit to identify gaps in Board experiences and new trustees are appointed on a 3-year term to fill these gaps. There is an induction and training plan in place for all trustees to strengthen their role in strategic planning. Trustees are also able to access the organisational training plan and attend any that they feel would be beneficial to their role and/or understanding.

## **Recruitment and Appointment of Trustees**

The Trustees of the charity are known as members of the Management Committee. Under the requirements of the deed, members of the Management Committee shall hold office until the end of Annual General Meeting next following their election appointment or co-option and shall be eligible for re-election or re-co-option.

## **Trustee Induction and Training**

New trustees are recruited following all recruitment process and a successful induction.

All new trustees are given an induction when they start which gives them up to date information on our services, finances, funding streams, organisational policies and procedures, code of conduct and training on our quality assurance standards. Training is provided for the management committee on roles and responsibilities of a trustee and other relevant training identified to assist and support the work of the trustees.

## **Achievement & Performance**

The centre provides the services of community and education centre in the Cheadle, Stockport. Facilities of the centre are open to the public between 7:30am to 9:00pm. all day. It caters for the after school children's' madrassa and other community needs for the Muslims of the area.

The main objective of the centre is to advance the academic as well as Islamic education of the community through the provision of Quranic and Hadiths (Islamic studies as Interpreted by Deoband Hanafi school of thoughts) teachings to adults and children by having class tutorials and lectures.

Non-Muslims are welcome to attend any of the centre activities as long as they conform to the expected behaviour and dress code within the centre. Our intentions are to provide all broad range of spectrum facilities for foreseeable future.

**Financial Review**

In the year to 30 June 2021 the charity had a total income of £75,314 (125,377 - last year) and total expenditure of £62,974 (£38,207 - last year). This resulted in a net profit for the year of £12,340 (£87,170 - last year). During this period the charity have used funds collected in the current period to maintain activity levels.

**Investment powers and policy**

The cash balance held in unrestricted reserves at 30 June 2021 was £248,791 (£193,187 - last year). The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately 6 months of unrestricted charitable expenditure.

The Trustees consider, having regard to the budget for the next twelve months, that the charity is a going concern.

**Risk Management**

The trustees have conducted a review of the major risks to which the charity is exposed and systems have been established to mitigate those risks.

**Trustees responsibilities in relation to the financial statements**

The charity trustees are responsible for preparing the annual report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Practice).

The law applicable to Charities in England and Wales requires the charity trustees to prepare financial statements for each 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 period.

In preparing the accounts, the directors are required to;

- 1 Select suitable accounting principles and then apply them consistently;
- 2 Observe the methods and principles in the applicable Charities SORP;
- 3 Make judgements and estimates that are reasonable and prudent;
- 4 State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- 5 Prepare the financial statements on a going concern basis unless it is appropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that 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 applicable Charities (Accounts and Reports) Regulations, and the provision of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees and signed on their behalf by;

K. Mahmood

**Mr Khalid Mahmood**  
**Chair of the Trustees**

Date: 30/6/22

## **Independent Examiner's Report to the Trustees of Social Welfare & Education Trust**

I report on the accounts of the charity for the year ended 30 June 2021 which are set out on pages 6 to 13.

### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
  - to keep accounting records in accordance with section 130 of the 2011 Act; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act
 have not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

**Muhammad Tayyab (FCCA)**

**Ferguson & Co**

**651 Mauldeth Road West, Chorlton, Manchester, M21 7SA**

**Date:**

## Statement of Financial Activities

For the year ended 30 June 2021

	Notes	2021		2020	
		£	£	£	£
<b>INCOMING RESOURCES</b>		Restricted	General	Restricted	General
INCOME FOR THE YEAR	6		75,314		122,857
Rent Income	6		-		2,520
		-	<b>75,314</b>	-	<b>125,377</b>
<b>LESS: RESOURCES EXPENDED</b>					
Cost of generating funds					
Expenditure on charitable activities	6		60,008		55,632
Governance costs	6		-		-
Support costs	6		2,966		-17,425
<b>TOTAL RESOURCES EXPENDED</b>		-	<b>62,974</b>	-	<b>38,207</b>
<b>NET INCOME FOR THE YEAR</b>			12,340		87,170
<b>BALANCE BROUGHT FORWARD</b>			441,185		354,015
<b>BALANCE CARRIED FORWARD</b>		-	<b>453,525</b>	-	<b>441,185</b>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 8 to 13 form part of these accounts.



## BALANCE SHEET

At 31st June 2021

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible Assets	3	205,000	205,000
<b>CURRENT ASSETS</b>			
Other debtors		0	53,196
Cash at bank and in hand		248,791	193,187
		<u>248,791</u>	<u>246,383</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	5		
Creditors		266	10,198
		<u>266</u>	<u>10,198</u>
<b>NET CURRENT ASSETS</b>		248,525	236,185
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>453,525</u></u>	<u><u>441,185</u></u>
<b>ACCUMULATED FUNDS</b>			
Unrestricted funds brought forward	7	441,185	354,015
Unrestricted reserves for current year	7	12,340	87,170
		<u><u>453,525</u></u>	<u><u>441,185</u></u>

We approve these accounts and confirm that we have made available all the information and explanations for their preparation.

Trustee

Mr Khalid Mahmood *K. Mahmood*

Trustee

Mr Zulfaqar Ali Yusaf

Date : 30/6/22

The notes on pages 8 to 13 form part of these accounts.

  
 30/06/2022

## **1. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

### **Basis of accounting**

The financial statements have been prepared 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### **Preparation of the accounts on a going concern basis**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

### **Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

### **Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised; refer to the trustees annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**SOCIAL WELFARE & EDUCATION TRUST**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**For the year ended 30 June 2021**

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**Current asset investments**

The charity holds no investments

**Taxation**

The charity is exempt from corporation tax on its charitable activities

**Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

**Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities.

**Operating leases**

Operating leases are leases in which the title to the assets, and the risks and rewards of ownership, remain with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

**Tangible fixed assets**

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Fixtures & Equipment	25% on cost
Computers & Equipment	25% on cost
Play Equipment	25% on cost

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash at bank and at hand**

The charity's cash at bank and in hand includes the availability of funds as at 30 June 2021.

**Creditors and provisions**

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

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**Pensions**

Employees of the charity have been auto enrolled onto a pension scheme to which the charity contributes.

**2.STAFF COSTS**

	<b>2021</b>	<b>2020</b>
Staff salaries and NIC	56,273	49,801

The average number of employee during the year were;

	<b>Number</b>	<b>Number</b>
Administration	1	3
Volunteers	1	2

**NOTES TO THE ACCOUNTS**  
For the year ended 30 June 2021

**3. TANGIBLE FIXED ASSETS**

	<b>Land &amp; Building</b>	<b>TOTAL</b>
<b>COST</b>		<b>£</b>
Brought forward	205,000	205,000
Disposal	0	0
Additions	0	0
At 30 June 2021	<u>205,000</u>	<u>205,000</u>
 <b>NET BOOK VALUE</b>		
At 30 June 2021	<u>205,000</u>	<u>205,000</u>
At 30 June 2020	<u>205,000</u>	<u>205,000</u>

**4.DEBTORS**

	<b>2021</b>	<b>2020</b>
Other debtors	0	53,196
	<u>0</u>	<u>53,196</u>

**5.CREDITORS**

	<b>2021</b>	<b>2020</b>
PAYE & NIC control account	195	198
Pension	71	0
Interest free loan	-	10,000
	<u>266</u>	<u>10,198</u>

## NOTES TO THE ACCOUNTS

For the year ended 30 June 2021

## 6. ANALYSIS OF INCOME AND EXPENDITURE

	30 June 2021			30 June 2020		
	General	Restr- icted	Total	General	Restr- icted	Total
<b>Income</b>						
Donations & Legacies (Friday collections)	13,873		13,873	83,216		83,216
HMRC Covid-19 grants	40,820		40,820	10,791		10,791
Investment income	110		110	4		4
<b>Income from Charitable activities</b>						
Madrisa fee	20,511		20,511	28,846		28,846
	<b>75,314</b>	<b>-</b>	<b>75,314</b>	<b>122,857</b>	<b>-</b>	<b>122,857</b>
<b>Expenditure on charitable activities;</b>						
Heat& lights	1,778		1,778	2,184		2,184
Rates & Water rates	449		449	2,609		2,609
Telephone	269		269	95		95
Wages & Salaries	56,273		56,273	49,801		49,801
Pension	1,239		1,239	943		943
	<b>60,008</b>	<b>-</b>	<b>60,008</b>	<b>55,632</b>	<b>-</b>	<b>55,632</b>
<b>Governance Costs;</b>						
Accountancy & Payroll			-			-
Bank charges	-		-			-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Support Costs;</b>						
Printing & Stationery	671		671	859		859
Sundry Expenses			-	315		315
Repairs & renewals	1,390		1,390	1,887		1,887
Insurance	905		905	1,407		1,407
(Profit)/loss on disposal of assets			-	21,893	-	21,893
	<b>2,966</b>	<b>-</b>	<b>2,966</b>	<b>17,425</b>	<b>-</b>	<b>17,425</b>
<b>Other Income</b>						
Rent Receivable		-	-	2,520	-	2,520
	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,520</b>	<b>-</b>	<b>2,520</b>
<b>NET INCOME</b>	<b>12,340</b>	<b>-</b>	<b>12,340</b>	<b>87,170</b>	<b>-</b>	<b>87,170</b>
<b>FUNDS BROUGHT FORWARD</b>	<b>441,185</b>		<b>441,185</b>	<b>354,015</b>		<b>354,015</b>
<b>FUNDS CARRIED FORWARD</b>	<b>453,525</b>	<b>-</b>	<b>453,525</b>	<b>441,185</b>	<b>-</b>	<b>441,185</b>

## NOTES TO THE ACCOUNTS

For the year ended 30 June 2021

## 7. ACCUMULATED FUNDS

	GENERAL FUNDS £	RESTRICTED FUNDS £	TOTAL £
Balance at 30 June 2020	441,185	-	441,185
Net income	12,340	-	12,340
Balance at 30 June 2021	<u>453,525</u>	<u>-</u>	<u>453,525</u>

## 8. CONTROLLING PARTY

Charity in under the share control of Trustees named on page 1 of the accounts.

## 9. RELATED PARTY TRANSACTION

There has been no transaction with the trustess during the year in any form. (2020 nil)