

Charity registration number 1155040

**WELWYN ISLAMIC SOCIETY**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# **WELWYN ISLAMIC SOCIETY**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	Mr Mohammed Qureshi Mr Ahmed Mumuni Mr Hassan Deen Mr Amir Malik Mr Khaled Dewan Osman
<b>Charity number</b>	1155040
<b>Principal address</b>	Unit 19 Martinfield Business Centre Welwyn Garden City AL7 1HG

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# **WELWYN ISLAMIC SOCIETY**

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# **WELWYN ISLAMIC SOCIETY**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

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The trustees present their annual report and financial statements for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Charities Act 2011 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

#### **Objectives and activities**

The charity's objectives to organise charitable events in the Welwyn Garden City Community including holding prayer meeting, public celebration of religious festivities, production and distribution of literature to enlighten the general public on Islam and provision of Islamic education to the local community. The policies adopted in furtherance of these objectives are Friday prayer meetings, Ramadhan congregation and there has been no change in these during the year.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The Charity hold Friday prayers, Eid prayers and hold Ramadhan gathering including prayers.

The Trustees and volunteers manage and organise the Charity events.

#### **Achievements and performance**

The Charity has achieved its objectives of organising prayer events on regular basis throughout the year.

Since the acquisition of the premises - mosque - due to its locality there has been an increase in number of people attending the daily five times prayers and the number attending Friday prayers have substantially increased. To accommodate worshippers, we now have two sessions of Friday Prayers.

#### **Financial review**

The results of the Charity's activities are shown on pages 4 to 9 of the financial statements.

In order to safeguard the main activities of the Charity, the Trustees ensure that there are sufficient unrestricted funds to meet the charity's obligations for the next three months at any point in time.

The principal source of income are members annual fees, regular monthly donations, Friday and Ramdhan collection and other ad-hoc activities. The Charities expenditure consists of payment to preachers and other ancillary activities.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan;
- Implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

A Reserves Policy which aims to secure six months running costs for the charity in a reserve account.

The key risks identified are: the ongoing threat of COVID19. The Board of Trustees have followed all the government guidance so that the worshippers are in a Covid safe environment by the registering attendance, use of mask, distancing, bringing own prayer mat and ablution to be performed prior to entering the mosque.

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# **WELWYN ISLAMIC SOCIETY**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **Future plans**

The board of Trustee feel that with the increase in number of people using the mosque it would be appropriate to provide more facilities at the mosque. Accordingly, the board of trustee have sought advice from Legal advisers and Architect to provide the following new facilities:

- New wudhu area
- A Kitchen
- Body washing facilities
- Multipurpose hall - that can be divided into small halls when needed so to facilitate teaching of religious education in small groups for youngsters.

The Board of Trustee with the guidance of legal professional and Architects have made a planning application, to the Local authority. The Board is expecting a preliminary response from the council early next year.

The Board of Trustee with the advisors have engaged in consultation with the Local Authority regarding parking facilities and have contracted with specialist highway consultant to carry out parking survey and the results will be sent to the local Authority with our final application.

### **Structure, governance and management**

The charity was established by a charitable trust deed on 23 November 2013.

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

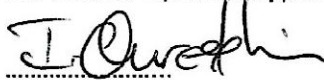
Mr Mohammed Qureshi  
Mr Ahmed Mumuni  
Mr Hasan Deen  
Mr Amir Malik  
Mr Khaled Dewan Osman

The Trustees are elected at an AGM.

The Charity consist of various members and they elect three Trustees at an AGM who manage the charity.

The Trustees have to declare to their fellow Trustee if there is any conflict of interest in respect of any activity or provision of services to the Charity.

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



Mr Mohammed Qureshi  
Trustee

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# WELWYN ISLAMIC SOCIETY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<b>Income from:</b>							
Donations and legacies	3	30,876	-	30,876	24,179	-	24,179
Charitable activities	4	-	-	-	-	-	-
<b>Total income</b>		<b>30,876</b>	<b>-</b>	<b>30,876</b>	<b>24,179</b>		<b>24,179</b>
<b>Expenditure on:</b>							
Raising funds	5	-	362	362	-	216	216
Charitable activities	6	19,419	-	19,419	24,228	-	24,228
<b>Total expenditure</b>		<b>19,419</b>	<b>362</b>	<b>19,781</b>	<b>24,228</b>	<b>216</b>	<b>24,444</b>
<b>Net income for the year/ Net movement in funds</b>		<b>11,457</b>	<b>(362)</b>	<b>11,095</b>	<b>(49)</b>	<b>(216)</b>	<b>(265)</b>
Fund balances at 1 January 2022		376,984	114,872	491,856	377,033	115,088	492,121
<b>Fund balances at 31 December 2022</b>		<b>388,441</b>	<b>114,510</b>	<b>502,951</b>	<b>376,984</b>	<b>114,872</b>	<b>491,856</b>

The statement of financial activities includes all gains and losses recognised in the year.


# WELWYN ISLAMIC SOCIETY

## BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	10		437,826		437,870
<b>Current assets</b>					
Debtors	11	-			
Cash at bank and in hand		80,125		81,441	
		80,125		81,441	
<b>Creditors: amounts falling due within one year</b>	13	(15,000)		(27,455)	
Net current assets			65,125		53,986
<b>Total assets less current liabilities</b>			502,951		491,856
<b>Income funds</b>					
Restricted funds			114,510		114,872
Unrestricted funds			388,441		376,984
			502,951		491,856

The financial statements were approved by the Trustees on .....



Mr Mohammed Qureshi  
Trustee



# WELWYN ISLAMIC SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1. Accounting policies

##### **Charity information**

Welwyn Islamic Society is a charitable organisation established by a trust deed on 23 November 2013.

##### **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" ("FRS 102") 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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. 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 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 Incoming resources**

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.

##### **1.5 Resources expended**

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.

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# WELWYN ISLAMIC SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

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.

Resources expended on charitable expenditure comprise in meeting the charitable objective. Such cost includes direct cost of the charitable activities together with those identifiable support cost incurred that enable these activities to be undertaken.

Governance cost and support cost are cost incurred for the management and administration of the Charity. These cost are incurred so that the Charity can operate and meet its statutory and constitutional obligation.

Support cost is allocated where appropriate to an activity based on use of resource. Staff cost where appropriate has been allocated on a consistent basis.

#### 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:

Land and buildings	No depreciation is provided as residual value is expected to be greater than cost
Fixtures, fittings & equipment	25% on reducing balance basis

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.

# WELWYN ISLAMIC SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 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.

### 2. Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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# WELWYN ISLAMIC SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 3 Donations and legacies

	Total	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	30,876	24,179

### 4 Charitable activities

	Property 2022	Property 2021
	£	£
Other income	-	-

### 5 Raising funds

	Total	Restricted funds
	2022	2021
	£	£
<u>Fundraising and publicity</u>	362	216
Seeking donations, grants and legacies	362	216

### 6 Charitable activities

	Total 2022	Total 2021
	£	£
Religious activities	8,013	12,074
Grant funding of activities (see note 7)	-	-
Share of governance costs	11,406	12,154
	19,419	24,228

### 7 Grants payable

	Friday prayers 2022
	£
Grants to institutions:	
Local Community	-
Religious organisation - Education	-
Humanitarian support	-

# WELWYN ISLAMIC SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. None of them (2022: none) were reimbursed expenses during the year (2022: Nil) for fund raising activity on behalf of the Charity.

#### 9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Total	-	-

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

#### 10 Tangible fixed assets

	Land and buildings £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 January 2022	437,334	3,256	440,590
At 31 December 2022	437,334	3,436	440,770
<b>Depreciation and impairment</b>			
At 1 January 2022	-	2,720	2,720
At 31 December 2022	-	2,943	2,943
<b>Carrying amount</b>			
At 31 December 2022	437,334	492	437,826
At 31 December 2021	437,334	536	437,870

#### 11 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	-	3,455

#### 12 Loans and overdrafts

	2022 £	2021 £
Other loans	15,000	27,455
Payable within one year	15,000	27,455
Loans are not secured		

#### 13 Creditors: amounts falling due within one year

	2022 £	2021 £
Borrowings	15,000	27,455



# WELWYN ISLAMIC SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 14 Analysis of net assets between funds

	Unrestricted Funds 2022 £	Restricted 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted 2021 £	Total 2021 £
Fund balances at 31 December 2021 are represented by:						
Tangible assets	323,316	114,510	437,826	322,998	114,872	437,870
Current assets/(liabilities)	65,125	-	65,125	53,986	-	53,986
	<u>388,441</u>	<u>114,510</u>	<u>502,951</u>	<u>376,984</u>	<u>114,872</u>	<u>491,856</u>

### 15 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

### 16 Analysis of changes in net funds

	At 1 January 2022 £	At 31 December 2022 £
Cash at bank and in hand	81,441	80,125
Loans falling due within one year	(27,455)	(15,000)
	<u>53,986</u>	<u>65,125</u>

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**WELWYN ISLAMIC SOCIETY**  
**INDEPENDENT EXAMINER'S REPORT TO**  
**THE TRUSTEES OF WELWYN ISLAMIC SOCIETY**

**Independent Examiner's Report to the Trustees of Welwyn Islamic Society**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2022 which are set out on pages 1 to 10

**Responsibilities and basis of report**

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

I report in respect of my examination of the charity's accounts carried out under section 145 of the 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**

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 accounts do not accord with those records; or
3. the accounts 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.

Signed:



Name Sharmain Solomon-Armeadah BSc, MSc, CFE

Date 27 November 2023