

Watford Mosque and Welfare Association
Unaudited Financial Statements
31 March 2022

SIDIKIES

Chartered accountants
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Watford Mosque and Welfare Association

Financial Statements

Year ended 31 March 2022

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Watford Mosque and Welfare Association

Trustees' Annual Report

Year ended 31 March 2022

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2022.

Reference and administrative details

Registered charity name	Watford Mosque and Welfare Association
Charity registration number	272539
Principal office	Cambridge Road Watford Hertfordshire WD1 0GJ The UK

The trustees

Mr M Yaqub
Mr M. Aslam Khan
Mr L Bhatti
Mr A. R. Choudhrey

Independent examiner	SIDIKIES Sidikies Chartered Accountants 1 Sun Street Finsbury Square London EC2A 2EP
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Structure, governance and management

Watford Mosque and Welfare Association is registered with the Charity Commission(Registration Number 272539)and constituted by the deed of trust. The charity is managed by four trustees who meet at regular intervals to assess the progress. The trustees have assessed the major risks to which the charity is exposed, and are satisfied that the systems are in place to mitigate exposure to the major risks.

Objectives and activities

To provide the place of worship for the multi-ethnic community of Muslims in Watford and the surrounding areas. To propagate and expand the teaching and the message of Islam in total compliance with the law of the land. To seek and build better understanding of other faiths and communities through interfaith and multicolour activities.

Watford Mosque and Welfare Association

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Financial review

The charity had net incoming resources in the year of £118,273 (2021: £83,930) resulting in a total funds carried forward of £3,258,737 (2021: £3,140,464).

Asset cover for funds

Note 16 sets out an analysis of the assets attributable to the various funds and these assets are sufficient to meet the charity's obligation on fund by fund basis.

The trustees' annual report was approved on 30 January 2023 and signed on behalf of the board of trustees by:

Mr M Yaqub
Trustee

Watford Mosque and Welfare Association

Independent Examiner's Report to the Trustees of Watford Mosque and Welfare Association

Year ended 31 March 2022

I report to the trustees on my examination of the financial statements of Watford Mosque and Welfare Association ('the charity') for the year ended 31 March 2022.

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.

SIDIKIES
Independent Examiner

Sidikies Chartered Accountants
1 Sun Street
Finsbury Square
London
EC2A 2EP

Watford Mosque and Welfare Association

Statement of Financial Activities

Year ended 31 March 2022

		2022		2021
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Donations and legacies	4	269,571	269,571	226,811
Other trading activities	5	—	—	1
Investment income	6	37,215	37,215	29,605
Total income		<u>306,786</u>	<u>306,786</u>	<u>256,417</u>
Expenditure				
Expenditure on charitable activities	7,8	188,513	188,513	172,487
Total expenditure		<u>188,513</u>	<u>188,513</u>	<u>172,487</u>
Net income and net movement in funds		<u>118,273</u>	<u>118,273</u>	<u>83,930</u>
Reconciliation of funds				
Total funds brought forward		3,140,464	3,140,464	3,056,534
Total funds carried forward		<u>3,258,737</u>	<u>3,258,737</u>	<u>3,140,464</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 6 to 13 form part of these financial statements.

Watford Mosque and Welfare Association

Statement of Financial Position

31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	13	1,900,051	1,954,332
Investments	14	527,756	527,756
		<u>2,427,807</u>	<u>2,482,088</u>
Current assets			
Cash at bank and in hand		831,579	659,004
Creditors: amounts falling due within one year	15	649	628
Net current assets		<u>830,930</u>	<u>658,376</u>
Total assets less current liabilities		<u>3,258,737</u>	<u>3,140,464</u>
Funds of the charity			
Unrestricted funds		3,258,737	3,140,464
Total charity funds	16	<u>3,258,737</u>	<u>3,140,464</u>

These financial statements were approved by the board of trustees and authorised for issue on 30 January 2023, and are signed on behalf of the board by:

Mr. M Yaqub
Trustee

The notes on pages 6 to 13 form part of these financial statements.

Watford Mosque and Welfare Association

Notes to the Financial Statements

Year ended 31 March 2022

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 Cambridge Road, Watford, Hertfordshire, WD1 0GJ, The UK.

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 to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Watford Mosque and Welfare Association

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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 accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Watford Mosque and Welfare Association

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

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:

Freehold property	-	2% straight line
Fixtures and fittings	-	25% reducing balance

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

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.

Watford Mosque and Welfare Association

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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.

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 2022 £	Unrestricted Funds £	Total Funds 2021 £
Donations				
Voluntary Income	235,823	235,823	196,093	196,093
Gifts				
Gift Aid from HMRC	12,835	12,835	13,411	13,411
Grants				
Grants receivable type 1	20,913	20,913	17,307	17,307
	<u>269,571</u>	<u>269,571</u>	<u>226,811</u>	<u>226,811</u>

Watford Mosque and Welfare Association

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

5. Other trading activities

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Fundraising events	—	—	1	1

6. Investment income

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Income from investment properties	37,215	37,215	29,605	29,605

7. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Charitable activities	103,440	103,440	90,301	90,301
Support costs	85,073	85,073	82,186	82,186
	<u>188,513</u>	<u>188,513</u>	<u>172,487</u>	<u>172,487</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2022	Total fund 2021
	£	£	£	£
Charitable activities	<u>103,440</u>	<u>85,073</u>	<u>188,513</u>	<u>172,487</u>

9. Analysis of support costs

	Analysis of support costs activity 1	Total 2022	Total 2021
	£	£	£
Staff costs	—	—	71,605
Finance costs	5,393	5,393	7,213
Rates & water	1,606	1,606	1,788
Light & heat	14,707	14,707	7,691
Depreciation	54,282	54,282	54,401
Funeral expenses	9,085	9,085	11,094
	<u>85,073</u>	<u>85,073</u>	<u>153,792</u>

Watford Mosque and Welfare Association

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

10. Net income

Net income is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	<u>54,281</u>	<u>54,402</u>

11. Staff costs

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

	2022	2021
	£	£
Wages and salaries	<u>71,368</u>	<u>71,605</u>

The average head count of employees during the year was 6 (2021: 6).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity were received by the trustees.

13. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 1 April 2021 and 31 March 2022	<u>2,772,004</u>	<u>15,431</u>	<u>2,787,435</u>
Depreciation			
At 1 April 2021	819,101	14,002	833,103
Charge for the year	<u>53,924</u>	<u>357</u>	<u>54,281</u>
At 31 March 2022	<u>873,025</u>	<u>14,359</u>	<u>887,384</u>
Carrying amount			
At 31 March 2022	<u>1,898,979</u>	<u>1,072</u>	<u>1,900,051</u>
At 31 March 2021	<u>1,952,903</u>	<u>1,429</u>	<u>1,954,332</u>

Watford Mosque and Welfare Association

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

14. Investments

	Other investments £
Cost or valuation	
At 1 April 2021	527,756
Additions	—
At 31 March 2022	<u>527,756</u>
Impairment	
At 1 April 2021 and 31 March 2022	—
Carrying amount	
At 31 March 2022	<u>527,756</u>
At 31 March 2021	<u>527,756</u>

All investments shown above are held at valuation.

15. Creditors: amounts falling due within one year

	2022 £	2021 £
Social security and other taxes	<u>649</u>	<u>628</u>

16. Analysis of charitable funds

Unrestricted funds

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
General funds	<u>3,140,464</u>	<u>306,786</u>	<u>(188,513)</u>	<u>3,258,737</u>

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
General funds	<u>3,056,534</u>	<u>256,417</u>	<u>(172,487)</u>	<u>3,140,464</u>

Watford Mosque and Welfare Association

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

17. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	1,900,051	1,900,051
Investments	527,756	527,756
Current assets	831,579	831,579
Creditors less than 1 year	(649)	(649)
Net assets	3,258,737	3,258,737

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	1,954,332	1,954,332
Investments	527,756	527,756
Current assets	659,004	659,004
Creditors less than 1 year	(628)	(628)
Net assets	3,140,464	3,140,464