

ACTON MUSLIM WELFARE ASSOCIATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

ACTON MUSLIM WELFARE ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Amanat Ali Mr A G Farquhar Mr Syed Mumtaz Hussain
Charity number	291264
Principal address	2-5 Oldham Terrace Acton London W3 6LS
Independent examiner	Reddy Siddiqui LLP 183-189 The Vale Acton London W3 7RW

ACTON MUSLIM WELFARE ASSOCIATION

CONTENTS

	Page
Trustees report	1 - 2
Independent examiner's report	3
Statement of financial activities	4
Balance sheet	5
Notes to the financial statements	6 - 12

ACTON MUSLIM WELFARE ASSOCIATION

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report and financial statements for the year ended 31 March 2022.

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 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 (FRS 102)" (effective 1 January 2019).

Objectives and activities

The principal activity of the charity during the year continued to be that of:

- The advancement of the Muslim religion.
- The advancement of education in accordance with the tenets and doctrine of Islam.
- The relief of such Muslims who are poor and needy.
- To advance any other charitable purpose for the benefit of Muslims in Acton.

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

Achievements and performance

During the year, mosque activities recommenced following the reduction in the national lockdown rules and restrictions. During the year, the mosque benefitted from a substantial increase in donations including a large lump donation from the will of a deceased former attendee. In addition, electronic donations grew significantly to now represent approximately 25% of donations, up from under 10% in prior years. Following the end of the year, electronic donations have continued to grow.

As a result of the tight control on costs and the excellent total level of donations, our cash reserves recovered well allowing the mosque to commence planned works on repair and refurbishment of the external dome and minaret. Ongoing cash and liquidity remains strong as the multi-tiered income strategy continues to generate strong levels of monthly donations.

Financial review

During the year the charity continued to receive donations which will be used to fund its activities.

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 and 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.

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.

Structure, governance and management

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

Mr Amanat Ali
Mr A G Farquhar
Mr Syed Mumtaz Hussain

ACTON MUSLIM WELFARE ASSOCIATION

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

The Trustees report was approved by the Board of Trustees.



Mr A G Farquhar

Trustee

18 December 2022

ACTON MUSLIM WELFARE ASSOCIATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ACTON MUSLIM WELFARE ASSOCIATION

I report to the Trustees on my examination of the financial statements of Acton Muslim 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 2011 Act).

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

Independent examiner's statement

I have completed my examination. I confirm that no 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 2011 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 financial statements to be reached.



Reddy Siddiqui LLP

183-189 The Vale
Acton
London
W3 7RW

Dated: 18 December 2022

ACTON MUSLIM WELFARE ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
Income from:						
Donations and legacies	3	136,381	40,654	177,035	71,561	92,192
Expenditure on:						
Charitable activities	4	104,042	39,174	143,216	127,380	149,443
Net income/(expenditure) for the year/						
Net movement in funds		32,339	1,480	33,819	(55,819)	(57,251)
Fund balances at 1 April 2021		2,056,750	18,183	2,074,933	2,112,569	2,132,184
Fund balances at 31 March 2022		2,089,089	19,663	2,108,752	2,056,750	2,074,933

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

All income and expenditure derive from continuing activities.

ACTON MUSLIM WELFARE ASSOCIATION

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	9		1,997,527		2,017,322
Current assets					
Debtors		-		10,000	
Cash at bank and in hand		121,426		50,691	
		<u>121,426</u>		<u>60,691</u>	
Creditors: amounts falling due within one year	10	(10,201)		(3,080)	
Net current assets			111,225		57,611
Total assets less current liabilities			<u>2,108,752</u>		<u>2,074,933</u>
Income funds					
Restricted funds			19,663		18,183
Unrestricted funds			2,089,089		2,056,750
			<u>2,108,752</u>		<u>2,074,933</u>

The financial statements were approved by the Trustees on 18 December 2022



Mr A G Farquhar
Trustee



Mr Syed Mumtaz Hussain
Trustee

ACTON MUSLIM WELFARE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Acton Muslim Welfare Association is an unincorporated association.

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 charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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 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.

ACTON MUSLIM WELFARE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Liabilities are recognised when resources are expended. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

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

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	60% of the value over 100 years
Fixtures, fittings & equipment	15% reducing balance
Computers	Enter depreciation rate via StatDB - cd198
Motor vehicles	20% 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.

ACTON MUSLIM WELFARE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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.

ACTON MUSLIM WELFARE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Donations and gifts	129,478	24,039	153,517	59,035
Government grants	6,903	-	6,903	32,707
Funeral donation	-	16,615	16,615	450
	<u>136,381</u>	<u>40,654</u>	<u>177,035</u>	<u>92,192</u>
For the year ended 31 March 2021	<u>71,561</u>	<u>20,631</u>		<u>92,192</u>

4 Charitable activities

	Zakat and Fitrana 2022	Funeral 2022	School 2022	Total 2022	Total 2021
	£	£	£	£	£
Staff costs	58,172	-	-	58,172	68,979
Depreciation and impairment	20,076	-	-	20,076	21,222
Charitable expenditure	30,880	6,382	1,912	39,174	22,063
	<u>109,128</u>	<u>6,382</u>	<u>1,912</u>	<u>117,422</u>	<u>112,264</u>
Share of support costs (see note 5)	24,180	-	-	24,180	33,825
Share of governance costs (see note 5)	1,614	-	-	1,614	3,354
	<u>134,922</u>	<u>6,382</u>	<u>1,912</u>	<u>143,216</u>	<u>149,443</u>
Analysis by fund					
Unrestricted funds	104,042	-	-	104,042	127,380
Restricted funds	30,880	6,382	1,912	39,174	22,063
	<u>134,922</u>	<u>6,382</u>	<u>1,912</u>	<u>143,216</u>	<u>149,443</u>
For the year ended 31 March 2021					
Unrestricted funds	127,380	-	-		127,380
Restricted funds	21,798	265	-		22,063
	<u>149,178</u>	<u>265</u>	<u>-</u>		<u>149,443</u>

ACTON MUSLIM WELFARE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

5 Support costs

	Support costs £	Governance costs £	2022 £	2021 £	Basis of allocation
Other staff costs	24,180	-	24,180	33,825	
Accountancy	-	1,614	1,614	3,354	Governance
	<u>24,180</u>	<u>1,614</u>	<u>25,794</u>	<u>37,179</u>	
Analysed between Charitable activities	<u>24,180</u>	<u>1,614</u>	<u>25,794</u>	<u>37,179</u>	

6 Trustees

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

7 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	<u>3</u>	<u>3</u>
Employment costs	2022 £	2021 £
Wages and salaries	56,583	63,973
Social security costs	323	3,815
Other pension costs	1,266	1,191
	<u>58,172</u>	<u>68,979</u>

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

8 Taxation

The charity is exempt from tax on its charitable activities.

ACTON MUSLIM WELFARE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2021	2,067,531	76,012	5,677	25,220	2,174,440
Additions	-	18,941	-	-	18,941
At 31 March 2022	2,067,531	94,953	5,677	25,220	2,193,381
Depreciation and impairment					
At 1 April 2021	98,492	58,522	-	18,764	175,778
Depreciation charged in the year	12,405	5,915	465	1,291	20,076
At 31 March 2022	110,897	64,437	465	20,055	195,854
Carrying amount					
At 31 March 2022	1,956,634	30,516	5,212	5,165	1,997,527
At 31 March 2021	1,969,039	41,827	-	6,456	2,017,322

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	9,102	2,360
Other creditors	379	-
Accruals and deferred income	720	720
	10,201	3,080

11 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	1,997,527	-	1,997,527	2,017,322	-	2,017,322
Current assets/(liabilities)	111,225	-	111,225	50,324	7,287	57,611
	2,108,752	-	2,108,752	2,067,646	7,287	2,074,933

ACTON MUSLIM WELFARE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Related party transactions

During the year, Mr Aizul Haque received a total of £3,100 from zakat funds which were distributed to the poor and needy. Mr Amanat Ali received a total of £3,100 from zakat funds for the Rehmat Trust for the distribution to the poor and needy. Sadat Trust in which Mr Syed Mumtaz Hussain is a Trustee received £3,100 from zakat funds for the distribution to the poor and needy. Mr M S Khan, General Secretary, received £2,000 from zakat distribution to the poor and needy.