

Charity registration number: 291533

Muslim Cultural & Welfare Association of Sutton

Annual Report and Financial Statements

for the Year Ended 31 December 2021

AS Partnership Ltd
Chartered Certified Accountants
158 Stafford Rd
Wallington
Surrey
SM6 9BS

Muslim Cultural & Welfare Association of Sutton

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Muslim Cultural & Welfare Association of Sutton

Reference and Administrative Details

Trustees Dr M R Moola, Chair
Dr S M Mohiud-Din

Principal Office 80 Ruskin Road
Carshalton
Surrey
SM5 3DH

Charity Registration Number 291533

Independent Examiner AS Partnership Ltd
Chartered Certified Accountants
158 Stafford Rd
Wallington
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SM6 9BS

Muslim Cultural & Welfare Association of Sutton

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2021.

1. Structure, governance and management

Governing document

MCWAS was first registered with the Charity Commission in 1981 under charity number 0291533. It is governed by a Constitution, the latest version of which held by the Charity Commission is dated February 1985.

Organisational structure

The Charity is run by two Trustees who are responsible for the general control and management of the Charity. The Trustees give their time freely and receive no remuneration or other financial benefits.

In 2019, the Charity began a process of organisational restructuring, which continued into 2020. Concerns had been raised by members of the community about a lack of transparency in decision making by the Board, about a lack of clear delineation between the roles of the Trustees and the Executive Committee/ Management Team, and about membership fees having risen to a prohibitive level.

In March 2020, an independent advisor had been contracted to provide support with restructuring of the Charity. The Consultant's recommendation was to restructure the charity to a new Charitable Incorporated Organisation (CIO), with a Board of three founding Trustees, new membership and elections to be held within three months of CIO incorporation which would add three new elected Trustees to the Board. An application to the Charity Commission to establish the CIO was accepted in August 2020 under the entity's new Constitution which was developed with both independent expertise and community consultation.

MCWAS is in the process of completing all financial and legal requirements with unwinding the legacy entity. Whilst transition is in progress as at financial year-end 31 December 2021, the process has yet completed.

Muslim Cultural & Welfare Association of Sutton

Trustees' Report (continued)

Financial review

The activities of the Charity were transferred to CIO from 12 August 2020, pending transfer of properties, novation of tenancy agreements and bank accounts. All donations received and operating expenses prior to 11 August 2020 are shown as that of the MCWAS legacy entity.

Amounts received and expended subsequently on behalf of CIO are shown as receivable and payable pending completion of transfer.

Investment income from rental properties to be transferred to CIO are shown for the year ended 31/12/21 as of legacy.

The accounts of the Charity show the net assets of MCWAS had increased by £7,522 to £1,755,874 (2020 £1,748,352) of which the freehold and leasehold properties are valued in the accounts at cost of £1,479,699 and believed to be worth in excess.

Gross income from donations and rental income from investment properties totalled £30,150 (2020 £47,714).

Total expenditure including support costs had totalled £22,628 (2020 £18,805).

No depreciation is provided on the Centre which is held on long lease with 117 years remaining. The adjacent investment properties are freehold. As the freehold properties are maintained it is considered that any provision for depreciation will be immaterial.

Muslim Cultural & Welfare Association of Sutton

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate 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 enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 15 October 2022 and signed on its behalf by:



.....
Dr M R Moola
Trustee

Muslim Cultural & Welfare Association of Sutton

Independent Examiner's Report to the trustees of Muslim Cultural & Welfare Association of Sutton

I report to the trustees on my examination of the accounts of Muslim Cultural & Welfare Association of Sutton for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity trustees of Muslim Cultural & Welfare Association of Sutton you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

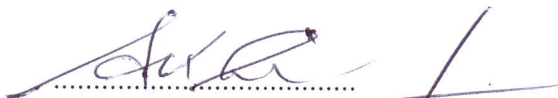
I report in respect of my examination of the Muslim Cultural & Welfare Association of Sutton's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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 Muslim Cultural & Welfare Association of Sutton 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 accounting 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.



A K K Sharif FCCA

Member of Association of Chartered Certified Accountants

AS Partnership Ltd

Chartered Certified Accountants

158 Stafford Rd

Wallington

Surrey

SM6 9BS

15 October 2022

Muslim Cultural & Welfare Association of Sutton

Statement of Financial Activities for the Year Ended 31 December 2021

	Note	Unrestricted funds £	Total 2021 £
Income and Endowments from:			
Investment income	3	<u>30,150</u>	<u>30,150</u>
Total income		<u>30,150</u>	<u>30,150</u>
Expenditure on:			
Governance costs		3,163	3,163
Investment management costs		16,583	16,583
Depreciation, amortisation and other similar costs		<u>2,882</u>	<u>2,882</u>
Total expenditure		<u>22,628</u>	<u>22,628</u>
Net income		<u>7,522</u>	<u>7,522</u>
Net movement in funds		7,522	7,522
Reconciliation of funds			
Total funds brought forward		<u>1,748,352</u>	<u>1,748,352</u>
Total funds carried forward	10	<u><u>1,755,874</u></u>	<u><u>1,755,874</u></u>

The notes on pages 9 to 14 form an integral part of these financial statements.

Muslim Cultural & Welfare Association of Sutton

Statement of Financial Activities for the Year Ended 31 December 2021 (continued)

	Note	Unrestricted funds £	Total 2020 £
Income and Endowments from:			
Donations and legacies		17,714	17,714
Investment income	3	30,000	30,000
Total income		47,714	47,714
Expenditure on:			
Faith & Worship		13,652	13,652
Community		90	90
Governance costs		3,263	3,263
Investment management costs		370	370
Depreciation, amortisation and other similar costs		1,430	1,430
Total expenditure		18,805	18,805
Net income		28,909	28,909
Net movement in funds		28,909	28,909
Reconciliation of funds			
Total funds brought forward		1,719,443	1,719,443
Total funds carried forward	10	1,748,352	1,748,352

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2020 is shown in note 10.

The notes on pages 9 to 14 form an integral part of these financial statements.

Muslim Cultural & Welfare Association of Sutton

(Registration number: 291533)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	7	1,491,227	1,492,573
Current assets			
Debtors	8	83,898	24,715
Cash at bank and in hand		307,561	252,702
		391,459	277,417
Creditors: Amounts falling due within one year	9	(126,812)	(21,638)
Net current assets		264,647	255,779
Net assets		1,755,874	1,748,352
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		1,755,874	1,748,352
Total funds	10	1,755,874	1,748,352

The financial statements on pages 6 to 14 were approved by the trustees, and authorised for issue on 15 October 2022 and signed on their behalf by:

The notes on pages 9 to 14 form an integral part of these financial statements.

Muslim Cultural & Welfare Association of Sutton

Notes to the Financial Statements for the Year Ended 31 December 2021

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Muslim Cultural & Welfare Association of Sutton meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

Going concern

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

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Muslim Cultural & Welfare Association of Sutton

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures, fittings and equipment	20% reducing balance

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Muslim Cultural & Welfare Association of Sutton

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

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

2 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Total for 2021	-	-
Total for 2020	17,714	17,714

Muslim Cultural & Welfare Association of Sutton

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

3 Investment income

	Unrestricted funds General £	Total funds £
Interest receivable and similar income;		
Interest receivable on bank deposits	150	150
Income from rents	<u>30,000</u>	<u>30,000</u>
Total for 2021	<u>30,150</u>	<u>30,150</u>
Total for 2020	<u>30,000</u>	<u>30,000</u>

4 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

5 Independent examiner's remuneration

	2021 £	2020 £
Other fees to examiners		
All other assurance services	<u>300</u>	<u>300</u>

6 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Muslim Cultural & Welfare Association of Sutton

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

7 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 January 2021	1,479,699	23,176	1,502,875
Additions	-	1,536	1,536
At 31 December 2021	<u>1,479,699</u>	<u>24,712</u>	<u>1,504,411</u>
Depreciation			
At 1 January 2021	-	10,302	10,302
Charge for the year	-	2,882	2,882
At 31 December 2021	<u>-</u>	<u>13,184</u>	<u>13,184</u>
Net book value			
At 31 December 2021	<u>1,479,699</u>	<u>11,528</u>	<u>1,491,227</u>
At 31 December 2020	<u>1,479,699</u>	<u>12,874</u>	<u>1,492,573</u>

Included within the net book value of land and buildings above is £785,611 (2020 - £785,611) in respect of freehold land and buildings and £694,088 (2020 - £694,088) in respect of leaseholds.

Muslim Cultural & Welfare Association of Sutton

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

8 Debtors

	2021 £	2020 £
Prepayments	-	368
Gift aid reclaimable	-	2,483
Rents Receivable (net of provisions)	1,150	1,150
Expenditure due from CIO	78,001	14,374
Due from Online Giving Platforms	4,747	6,340
	<u>83,898</u>	<u>24,715</u>

9 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	1,300	1,300
Receipts due to CIO	123,284	18,764
Accruals	2,228	1,574
	<u>126,812</u>	<u>21,638</u>

10 Funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Balance at 31 December 2021 £
Unrestricted funds				
General	<u>1,748,352</u>	<u>30,150</u>	<u>(22,628)</u>	<u>1,755,874</u>

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2020 £
Unrestricted funds				
General	<u>1,719,443</u>	<u>47,714</u>	<u>(18,805)</u>	<u>1,748,352</u>

Muslim Cultural & Welfare Association of Sutton

Detailed Statement of Financial Activities for the Year Ended 31 December 2021

	Total 2021 £	Total 2020 £
Income and Endowments from:		
Donations and legacies (analysed below)	-	17,714
Investment income (analysed below)	30,150	30,000
	<hr/>	<hr/>
Total income	30,150	47,714
	<hr/>	<hr/>
Expenditure on:		
Faith & Worship (analysed below)	-	13,652
Community (analysed below)	-	90
Governance costs (analysed below)	3,163	3,263
Investment management costs (analysed below)	16,583	370
Depreciation, amortisation and other similar costs (analysed below)	2,882	1,430
	<hr/>	<hr/>
Total expenditure	22,628	18,805
	<hr/>	<hr/>
Net income	7,522	28,909
	<hr/>	<hr/>
Net movement in funds	7,522	28,909
	<hr/>	<hr/>
Reconciliation of funds		
Total funds brought forward	1,748,352	1,719,443
	<hr/>	<hr/>
Total funds carried forward	1,755,874	1,748,352
	<hr/> <hr/>	<hr/> <hr/>

This page does not form part of the statutory financial statements.

Muslim Cultural & Welfare Association of Sutton

Detailed Statement of Financial Activities for the Year Ended 31 December 2021 (continued)

	Total 2021 £	Total 2020 £
<i>Donations and legacies</i>		
General donations	-	16,927
Other	-	787
	<u>-</u>	<u>17,714</u>
<i>Investment income</i>		
Rental Income from investment properties	30,000	30,000
Interest on cash deposits	150	-
	<u>30,150</u>	<u>30,000</u>
<i>Faith & Worship</i>		
<i>Direct</i>		
Ramadan costs	-	1,000
Calender costs	-	715
Wages and salaries	-	1,000
Subcontractor costs	-	557
	<u>-</u>	<u>3,272</u>
<i>Support</i>		
<i>Premises: 80 & 80A Ruskin Road</i>		
Water rates	-	671
Rent and rates	-	5,181
Light, heat and power	-	3,157
Repairs and maintenance	-	318
	<u>-</u>	<u>9,327</u>
<i>General</i>		
Cleaning	-	400
Telephone and fax	-	653
	<u>-</u>	<u>1,053</u>
	<u>-</u>	<u>13,652</u>

This page does not form part of the statutory financial statements.

Muslim Cultural & Welfare Association of Sutton

**Detailed Statement of Financial Activities for the Year Ended 31 December 2021
(continued)**

	Total 2021 £	Total 2020 £
<i>Community</i>		
Donations to other charities	-	90
	-	90
<i>Governance</i>		
Accountancy fees	1,928	1,274
Independent examiner's fee	300	300
Legal and professional fees	935	1,187
Bank charges	-	502
	3,163	3,263
<i>Investment Management</i>		
Insurance	738	370
Repairs and maintenance	15,845	-
	16,583	370
<i>Other</i>		
Depreciation of fixtures and fittings	2,882	1,430