


REGISTERED COMPANY NUMBER: 04041294 (England and Wales)
REGISTERED CHARITY NUMBER: 1149833

Report of the Trustees and
Audited Financial Statements for the Year Ended 31 March 2021
for
Muslim Welfare House
(A Company Limited by Guarantee)

Prestons & Jacksons Partnership LLP
Statutory Auditors
364 - 368 Cranbrook Road
Ilford
Essex
IG2 6HY

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Muslim Welfare House

Contents of the Financial Statements for the Year Ended 31 March 2021

	Page
Report of the Trustees	1 to 13
Statement of Trustees' Responsibilities	14
Report of the Independent Auditors	15 to 17
Statement of Financial Activities	18
Statement of Financial Position	19 to 20
Statement of Cash Flows	21
Notes to the Financial Statements	22 to 33
Detailed Statement of Financial Activities	34 to 36

Muslim Welfare House

Report of the Trustees for the Year Ended 31 March 2021

The Trustees present their report with the financial statements of the charity for the year ended 31st March 2021. The trustees have adopted the provisions of 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 (FRS102) (effective 1st January 2019). The accounts have also been prepared in accordance with the accounting policies set out in the notes to the financial statements.

Message From The Chairman

Covid-19 casted a long shadow over 2020. The rapid spread of the disease in the early part of the year; the first lockdown; then further surges in cases and deaths towards the end of the year has challenged the health and care system - indeed, the country as a whole - as never before. For many charities, it has meant being unable to raise funds through traditional methods such face-to-face contact and also facing the challenges of delivering aid due to the COVID 19 restrictions put in place.

Despite these challenges, MWH is continuing to achieve its mission to provide the best social, educational and training centres across the UK. We remain as an organisation rooted in its Islamic values and driven by the trust of its incredibly generous partners, donors and supporters in the UK and around the world. We are thankful to every single one of them for enabling us to deliver aid to some of the most desperate people in the UK, particularly in some of the most challenging environments that exist. Looking ahead in the coming months, we will continue to help and support our beneficiaries, colleagues and communities throughout the COVID-19 pandemic. Safety has been our highest priority over the past 12 months and by acting quickly and decisively, we will help keep everyone safe.

To achieve the aims MWH have set ourselves, we need to make efficient use of our resources and maintain the right level of investment in our systems and people. We want to ensure we maintain exceptional leadership at Board and Executive level, with a skilled and capable workforce who work together in harmony to maximise the impact of the donations and grants we are entrusted with and reach those most affected by ongoing conflict, humanitarian crisis and disaster all over our world.

On behalf of the entire Board, I want to say a sincere thank you to all our staff and volunteers who have stepped up to serve the community during these difficult times. I also wish to extend our heartfelt thanks to our generous donors for their on-going support, and to all those with whom we worked in partnership to reduce poverty and suffering and serve the communities.

Muslim Welfare House

Report of the Trustees for the Year Ended 31 March 2021

Message From The CEO

This has been a year unlike any other. The COVID-19 pandemic has impacted every part of our life's charities and our wider communities. Our strong purpose and values guided our response, ensuring we could always support our beneficiaries, colleagues and communities throughout this extremely challenging period.

As with most Charities this year, the short-term financial impact was likely to be considerable and potentially in the region of a 20-40% drop in donations against previous forecasts. MWH had to cancel several fundraising activities with our partners and the mosque had to be closed during lockdown. Nonetheless, we remained optimistic about the future, in part because of our achievements in diversifying and investing in new income streams in recent years. While certain areas such as supporter and volunteer led fundraising were particularly affected, we had a profitable and growing direct marketing programme and are developing alternative ways to harness our grass roots support. What is particularly comforting is that we have already seen that both current and new supporters recognise the challenge ahead for organisations such as ourselves and we have seen an up swell of support.

We want to make a big difference. Our presence within the communities and the interaction with thousands of people every day, gives us unique opportunities to bring about change for the better. This has never been more important as we recover from the global COVID-19 pandemic. We combined our life saving support with PPE and Test programmes to counter the spread of the pandemic amidst communities and ensure critical long-term work can continue rebuilding lives.

Muslim Welfare House team worked harder than ever in order to serve safely. I am incredibly proud of the way the staff across MWH have responded, showing a combination of skillful services with a sense of purpose and compassion and always putting our beneficiaries and communities first. MWH has stepped up and worked tirelessly across the third sector and we are hugely proud of the part MWH has played. I also want to congratulate the MWH volunteers and Partners on their award from London Faith and Belief in leading the way in improving the lives of Londoners from all faiths and beliefs. I also want to especially thank our partners and donors for all their support and partnership throughout this year as they have done a fantastic job.

Despite the challenges of the pandemic on our staff and beneficiaries, the selflessness and resilience of our staff and partners have shown that 53 years of experience counts, and we are inspired to continue to work towards a world that is just and harmonious, as ordained by God, where everyone can achieve their potential with dignity. Looking ahead in the coming months, we will continue to manage the impact of COVID-19 and Brexit, thanks in no small part to the hard work of our colleagues, volunteers and our great relationships with partners and donors. May God continue to bless us with the means and the opportunity to serve humanity sincerely and tirelessly, to the very best of our ability.

-Mr Toufik Kacimi
CEO

Muslim Welfare House

Report of the Trustees for the Year Ended 31 March 2021

Strategic Report

The start of 2020 was somewhat of an unsettling year for the Trust in dealing with the COVID19 pandemic. COVID19 has both been an incredibly challenging season and a real time of opportunity and innovation. Given the situations within the society we took advantage of the Government's furlough scheme. We also had to re-budget given the loss of income from external events and projected drop in internal income. Whilst we have had to carefully look at our budget and team roles, we have been fortunate enough to not make anyone redundant.

MWH were also aware of the complexity of unmet needs nationally were growing even before the outbreak of the coronavirus. However, people who were vulnerable before the pandemic were now facing an even more frightening reality and future. Given the pandemic and its associated challenges, our strategy was to ensure that our response to the pandemic puts people's individual needs first and making sure we work in close partnership with others like the council so that we are delivering coordinated support to those who need it. Muslim Welfare House (MWH) have played a critical role in Islington's community response to Covid providing support to thousands of people in London including those most at risk. At the outset of the Covid Pandemic, MWH acted swiftly to close the mosque and community center ahead of the Government requirement, undoubtedly saving lives.

Our staff and volunteers have been working very hard to help the thousands of people who have suffered during the COVID19 pandemic. Some of the activities include:

- Food distribution with over 600 hot meals a day
- Assist the unemployed to get back into employment
- Practical support to people facing isolation and hardship

We have made further progress with our plans to create value for our users and beneficiaries, at the same time delivering significant outcomes for the charity especially in fundraising and purchasing new buildings, which added great values to the organization portfolio. The Board's increasing focus on growth have led us to a robust performance also reflected in the hard work of our management colleagues, and their commitment to serving users and beneficiaries a little better every day - led by a management team that has a clear focus on results. The Board places a significant focus not just on the strategic plans developed by management, but also on the wider culture of our charity.

Again, this year all our programs are targeted to the specific community needs and in the contexts in which we work. We use these programs, which involve combining an emergency response, long-term development and campaigning interventions to tackle the range of complex community needs as a response to isolation, marginalization, poverty and injustice and achieve lasting change in the lives of people benefiting from these programs. During this year we focused on delivering high-quality programs with a particular focus on women, children, youth unemployment, refugees, Islamophobia and inequality as well as providing effective support to the different MWH centers across the UK as well as many other partners. MWH also led the outreach work, with Arabic speaking members of the community and others including asylum seekers, refugees and migrants congregating outside local shops to reinforce social distancing guidance. MWH also supported residents facing financial hardships and victims of domestic violence.

Public Relation (PR) activities are carried out by both the CEO and Director. It has helped in opening in many avenues for cooperation, developing new activities and strengthening future partnerships.

Our work has a significant impact on the lives of our users and MWH played an important role in supporting the local government and many NGOs policies more supportive towards refugees and asylum seekers as well as the BME groups and we continue to be an influential voice in Islington and other localities.

Muslim Welfare House

Report of the Trustees for the Year Ended 31 March 2021

We strongly believe that MWH work has helped people as well as communities build better lives for themselves and our campaigns highlighted major issues such as Islamophobia, hate crime, knife crime, poverty, discrimination against women and inequality which facilitated vulnerable people in getting back on their feet.

We also believe in developing a sustainability in finance and staffing within MWH, and we are committed to supporting people at every level and from every background, to develop their careers with MWH.

This has been a significant year for MWH - not just because of its historical importance, as we celebrate 53 years of great value - but also because of the strong position we have built in our ongoing improvement. Whilst 2020/21 was a year of big decisions, 2021/22 will be one where demand on our services will be bigger than ever before. Recessions, particularly as deep as the one forecasted, can hugely impact the organisation. The years ahead will present exceptional challenges to MWH. Nevertheless, we are backing ourselves not only to survive but thrive. With the continued dedication of our incredible staff and volunteers, along with the support of our wonderful supporters, we will always be there for the people in need.

Covid-19 Impact

Building stronger community regardless of the challenges and the pandemic

Reflecting on this year, I believe it has been among the most challenging that MWH has faced in over 53-year history. The COVID-19 pandemic brought disruption and uncertainty to our communities and to all our beneficiaries, colleagues, donors and stakeholders. In responding to these challenges, we were guided by our values as a charity and stayed true to our purpose of serving the society the best as possible.

Our response to COVID-19 has consistently focused on ensuring our beneficiaries and colleagues could use and work safely at MWHs. This year, we reflect on the serious challenges and uncertainty MWH and our colleagues have faced. We pay tribute to every colleague affected and our thoughts are with those who have lost friends and loved ones. It has been hugely difficult, but every person at MWH rose to the challenge and went above and beyond to help each other and those in their communities. The Board continuously provided guidance and support to help our teams to do the right thing, and we are very proud of the role everybody at MWH has played during the pandemic.

Support for communities

We have always done what we can to help our local communities, but this year was exceptional.

We believe the decisions and actions we have taken this year demonstrate our commitment to a more sustainable future - one in which everyone is made to feel safe and welcome and has access to healthy, and outstanding services.

We value diversity and inclusion as individuality and uniqueness and treat everyone fairly and with respect. Diversity is embedded in our values; we treat people how they want to be treated.

Supporting our communities has never been more vital than during the past year, when the ongoing pandemic has affected the lives of so many people. By working with our partners, we are helping thousands within our communities

Muslim Welfare House

Report of the Trustees for the Year Ended 31 March 2021

OBJECTIVES AND ACTIVITIES

Mission Statement

To provide best practice social, educational and training centers sensitive and complimentary to cultural diversity, geared to fulfilling the needs of marginalised and ethnic communities in line with our dedication to serving the community across the UK.

Objectives

- To look after the local community - accommodating their educational, social and welfare needs, with a focus
- To help promote awareness and understanding of beliefs, practices and culture-linking with mainstream providers and others; including voluntary, organisations to facilitate better mutual understanding and provision
- To work positively for the community's participation in society - by particularly encouraging socially excluded communities to improve their quality of life by assessing mainstream opportunities in education, employment and training.

Use of Properties for other Charitable Purposes

Muslim Welfare House has made a number of its properties available to local communities free of charge for the use of education, social and other charitable activities. Due to Covid restrictions, most of the activities took place online.

Social advice

MWH is in partnership Islington council. We try to organise as many events as possible with Islington council to help with issues faced by the community such as domestic violence, substance misuse, effect of alcohol and others.

- Blackstock Road Project

The Blackstock Road Project is an innovative and individualised new project based in North London to help the youth to both gain employment and to build their careers based on their existing and potential skills - giving them the knowledge and independence to navigate the UK job market themselves for future jobs. With a strong focus on motivation and aspiration, the project aims to make a substantial and material difference to participants' lives, helping them gain a renewed sense of confidence and self-worth, a recognition of what they are able to offer the local labour market and a clear path to gaining the skills they need to reach their labour market destination.

- Family Link Nurturing Project

We will offer individual parent coaching sessions for parents throughout Islington. After an initial consultation, we will devise a plan unique to you and your circumstances. Our aim is to help parents create a healthy, happy and well-balanced family life for their children and themselves.

Our parent coaching sessions are specifically designed around any parenting challenges you might have. We give you the opportunity to discuss your present and future concerns, find solutions to difficult parenting situations and set goals for the future.

We also help you identify your parenting strengths and weaknesses. We will work together to navigate through common parenting challenges such as setting up better boundaries and building your child's self-esteem. Our goal is to help you realise your parenting potential by helping you to overcome parenting challenges.

Muslim Welfare House

Report of the Trustees for the Year Ended 31 March 2021

- Migrants and Refugee Support

We have worked with over 43 Syrian families, providing them with free counselling, translation, reading documents, advice, housing search and referrals, making phone calls, arranging English course for them to attend most of these activities were online.

We organised 2 camps attended by young children and youth where they learned new skills and participated in sport activities as well as 1 family camp.

We have given employment advice for residents, attended by about 350 people that resulted in the employment of 67 jobs.

- November Islamophobia Awareness Month

- Food Distribution

We have organised food distribution through MWH food bank that distributed tonnes of fresh food and served up to 600 hot meal a day. We were honored to host many VIPs including our local MP Jeremy Corbyn, the Mayor of Islington, other local community leaders and organisations.

Public benefit

Charity trustees have a duty to ensure that the Charity's work meets public benefit requirements and to report on this in their Annual Report. The many activities undertaken by MWH are summarised in this report and trustees have given careful consideration to the Charity Commission guidance on public benefit in their decision making.

Volunteers

Volunteers are an important resource to Muslim Welfare House. There are around 150 volunteers of which 120 are regular, helping in the smooth running of the organisation. These volunteers generally perform cleaning, small general repairs, preparing the premises for various events and managing Friday Prayer gatherings as well as food distribution. We encourage all the members of mosque to be involved in voluntary activities and to share their skills. The volunteers who work in projects involving children and other vulnerable groups are DBS checked and their professional background and references are also reviewed.

We have a policy in place in this regard as we are continuously trying to develop this aspect in cooperation with those who have experience in this field.

Muslim Welfare House

Report of the Trustees for the Year Ended 31 March 2021

OBJECTIVES AND ACTIVITIES

Education

MWH operates part-time evening school in its centers, with evening Madrasah, operates weekdays 5-7pm, and weekends with a curriculum giving essential Islamic knowledge. The Madrasah has relevant child protection training, DBS checks, and staff workshops to maintain and improve teaching standards.

The trust also provides a range of welfare services directly and through supported projects. The Mosque deals with many people seeking advice and guidance on religious matters from its Imams, on issues such as marriage, mental issues, inheritance, family and business matters. These as well as on going courses for women every morning from 10 to 2PM.

Community Cohesion

MWH work with many organisations nationally and locally to improve the community cohesion, remove any misunderstanding, and promote a better society that includes issues related to Islamophobia and hate crime, which includes:

- UK citizens
- Stand up to Racism
- Islington Faiths Forum
- Christian Faiths Forum
- London Faiths Forum
- Islington Faiths Forum
- Somali Community
- Islington Muslim Forum
- Hate Crime Forum
- Islington Council
- The Police
- International Green Hands
- And many other organisations

Muslim Welfare House

Report of the Trustees for the Year Ended 31 March 2021

STRATEGIC REPORT

Reserves policy

Muslim Welfare House aims to ensure that sufficient funds are available to meet obligations in emergencies and also to ensure that operations are not affected due to any absence of funds. Due to the tireless work of the CEO, staff, Trustees and volunteers, we have enough funds to maintain and sustain our activities and services.

Muslim Welfare House's various assets and properties are used as a form of reserves in case of emergencies. We have managed to purchase 3 new investments which will secure an extra income to ensure the smooth running of the charity.

Designated Funding:

Muslim Welfare House maintains the following designated fund for project specific activities or certain expected expenditure.

Financial Performance:

The Board's attention to overseas donors has worked well and is still looking promising. The increase in staff cost indicates this initiative of the Board. The result of this change has already proven to be a success.

Liquidity:

MWH managed to pay all its debts by fundraising locally and internationally. Muslim Welfare House has continued to intensify its local fundraising by arranging for external collections throughout London as well as maximizing our own Friday collections. This led to an increase in MWH liquidity. We aim to increase the operating revenue in the next financial year due to extensions of canisters and investments.

Going concern

The trustees have reviewed the impact of COVID-19 on the ability of the Charity to continue to operate and were confident that existing reserves will be sufficient to cover the short-term financial effect of the pandemic. The initial focus of response was on ensuring sufficient cash was available to meet immediate liabilities given that many of the activities MWH operate was forced to close.

MWH were also able to receive donations from other organisations for the supply of essentials during the pandemic to mitigate the risk of spreading COVID19. We ensured we adhered to Covid policies set out by the government such as testing and distancing whilst working on the premises. To reduce costs, many of our staff were put on furlough during lockdown to ensure MWH were able to cover the effects of the lockdown.

Future Developments:

We have successfully secured more funding for new investments projects which will ensure we earn a secure and stable income to the charity and deliver many new services to the communities. These buildings are in Birmingham, Doncaster and Bradford.

- MWH is planning to improve the buildings in some branches which includes Sheffield, Birmingham, Swansea and Bradford
- MWH will plan to open up Masjid and School in Swansea
- MWH is planning to open more community centers
- MWH is planning to buy new investments for the charity
- MWH plans to deliver successful Family coaching sessions
- MWH plans to deliver successful Blackstock Road Project, which aims to help young people get into employment
- MWH is planning to improve its communication tools

Muslim Welfare House

Report of the Trustees for the Year Ended 31 March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance Summary

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The role of the Board is to determine the charity's framework and policies as well as the general strategies and the organization direction. The Board reviews the remuneration arrangements as well for employees whose salaries exceed specified levels.

Governing document

We have a robust governance framework in place to support us in delivering the MWH Plan and integrating it into our business strategy. This establishes clear responsibility and accountability for our performance, and ensures effective decision-making.

MWH changed its status a few years ago by creating a new charitable company by Guarantee; the company No (04041294) and the charity No (1149833).

Governance Code

The Trustees are aware of the seven principles of the Charity Governance Code and ensure that these are followed. Recent activities that demonstrate adherence to the code include a rewriting of the Articles of Association to review Trustee appointment terms and charitable objects, recruitment of Trustees with specific skill sets, as well as a complete refresh of the organisational strategy. Trustees are kept up to date with governance developments by the management and plans are in process to focus on Board Effectiveness in the next year.

Recruitment and appointment of new trustees

The existing Board of Trustees is responsible for the recruitment of new Trustees. The appointment process also includes taking into account the recommendations and views of community leaders. This approach ensures that Trustees are respected by the community and foster good relations between the centers and the people of the local community.

Induction and training of new trustees

Trustees are introduced to their new role upon their appointment. The resources available at Charity Commission's website are introduced to them so that they can familiarise themselves in relation to their duties and responsibilities as well as MWH policies and procedures. Initially, the new Trustees are encouraged to attend Friday prayers at the MWH so that they can also observe the systems and procedures in place. After the prayers, a short meeting is held in the meeting room with the trustees. They are encouraged to attend the annual CHASE conference at Islington Business Design Centre and Picasso Management Quality training, which have been informative in the past. MWH organised four training regarding systems policies and procedures, child protection and health and safety courses and the last training was a conflict of interest course. The Board met 5 times during the year, all meetings were held virtually.

Muslim Welfare House

Report of the Trustees for the Year Ended 31 March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trustees are responsible for the general control and management of the charity. The Trustees do not charge for any of their time spent in dealing with management and control. One of these Trustees also serves as a chairman who is committed to dedicate more time to the organisation mainly dealing with current and future strategies and media. The Trustees appoint a CEO who is responsible for all the operations and activities within the organisation. The CEO does not only deal with the issues within the organisation but also deals with community outside and various external bodies.

The CEO keeps regular contact with the Trustees updating them on the day-to-day running of the organisation. The Trustees hold regular meetings where the CEO updates them on organisation's performance, limitations and problems it may be facing.

Remuneration

The talents of our staff and committed volunteers are vital in providing the high-quality work that we deliver in the communities in which we operate. MWH is a complex organisation and it is essential that we attract and retain people with the right skills, talents and insight, so that we can run the Charity as efficiently and effectively as possible. With this in mind we review our salaries annually and seek to offer suitably competitive levels of reward and appropriate recognition for all our staff. Remuneration levels are based on a job evaluation system that aims to deliver a fair and comparative process in determining all job levels and pay bands.

Muslim Welfare House

Report of the Trustees for the Year Ended 31 March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees are responsible for ensuring that effective risk management and internal control systems are in place to manage the Charity's exposure to major risks including fraud and other irregularities. We operate a risk management framework designed to mitigate, though not to eliminate, major risks and to provide reasonable, though not absolute, assurance against material errors or loss.

The current COVID-19 pandemic provided an opportunity for the Charity to test its approach to risk management at all levels and has been judged to be successful. Staff that weren't furloughed were all able to operate from home due to effective IT systems and the Charity has been able to offer all of its pre-COVID-19 charitable services, subject to government restrictions. All workplaces have been risk-assessed to be COVID-19 secure in accordance with the relevant contemporary guidance. However, the pandemic has resulted in two key Raising Funds risks to be increased to a high net impact level.

Risks are assessed according to the potential impact on the Charity and their likelihood of occurrence. Controls are in place, or are being developed and enhanced to manage these risks. A complete strategic review was carried out during the year that identified key risks and opportunities for the Charity and the new Strategic Plan is designed to mitigate these risks and exploit the opportunities.

The principal risks facing the Charity's objectives are summarised below along with the main mitigating actions in place.

Principal Risks

Risk Management

Raising Funds

Serious economic downturn that results in a sustained reduction in cash and regular donations. (HIGH)

Diverse fundraising base with investment to grow multiple channels. Strategy based on recruiting regular givers to improve sustainability of income. Significant investment and activity to drive legacy marketing.

Reputation

Theft of data. The consequences could include reputational damage, inability to contact supporters/customers, and inability to process direct debits. (HIGH)

Data is stored, accessed, and transferred securely and in line with the requirements of GDPR (General Data Protection Regulations 2018).

Financial Serious

financial fraud is carried out against the charity. (MEDIUM)

Procurement procedures; dual payment authorisation; rigorous bank detail change controls; strong internet banking security; CPD on cyber threats; segregation of duties; and regular reconciliations.

Business Interruption

Regional or national (human or animal) disease outbreak leads to extensive closure of our site.

Business Continuity Plans and Incident Management processes are well established and have been fully tested. Many staff are able to work from home as all systems are cloud-based or accessible remote

Muslim Welfare House

**Report of the Trustees
for the Year Ended 31 March 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04041294 (England and Wales)

Registered Charity number

1149833

Registered office:

233 Seven Sisters Road

London

N4 2DA

Trustees

Mr Riyadh Al-Rawi Director

Mr Mohamed Haj Director

Mr H Y M Mohammed Mansour Director

Mr Ali Boudjatat Director

Mr A A A Majeed Abdulsamei Director

Mr Osman Yusuf Hagi Ahmed Director

Dr Omer Hasem El-Hamdoon Director

Mr Abdullah Adnan Saif Director

Mr Obada Mohammad Sawalha Director

Website

www.mwht.org.uk

CEO

Mr Toufik Kacimi

Auditors

Prestons & Jacksons Partnership LLP

Statutory Auditors

364 - 368 Cranbrook Road

Ilford

Essex

IG2 6HY

Solicitors

Johns and Saggar LLP

34-36 Grays Inn Road

London WC1X 8HR

Lee Bolton Monier Williams LLP

1 The Sanctuary Westminster

London SW1P 3JT

Muslim Welfare House

Report of the Trustees for the Year Ended 31 March 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Metro Bank PLC
One Southampton Row
London
WC1B 5HA

Al Rayan Bank PLC
44 Hans Crescent
London
SW1X 0LZ

NatWest Bank PLC
298 Seven Sisters Road
London
N4 2BW

AUDITORS

The auditors, Prestons & Jacksons Partnership LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 26/12/21 and signed on the board's behalf by:

H.Y. Mahmoud
Mr H Y M Mohammed Mansour - Trustee | DIRECTOR

Muslim Welfare House

Statement of Trustees' Responsibilities for the Year Ended 31 March 2021

The trustees (who are also the directors of Muslim Welfare House for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Report of the Independent Auditors to the Trustees of Muslim Welfare House

Opinion

We have audited the financial statements of Muslim Welfare House (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Independent Auditors to the Trustees of Muslim Welfare House

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework by discussing with management and checking compliance with regulators.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees of
Muslim Welfare House**

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A. PATEL

for and on behalf of Prestons & Jacksons Partnership LLP

Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

364 - 368 Cranbrook Road

Ilford

Essex

IG2 6HY

Date: 31/12/21

Muslim Welfare House

Statement of Financial Activities for the Year Ended 31 March 2021

		Unrestricted funds £	Restricted fund £	31.3.21 Total funds £	31.3.20 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	515,405	4,420	519,825	2,384,837
Charitable activities	4				
Mosque & community		-	-	-	3,121
Eden project		87,898	-	87,898	69,428
Quran school		12,262	-	12,262	47,131
VCS Infrastructure		-	50,000	50,000	40,000
Ramadhan project		1,713	-	1,713	31,381
Grants		388,360	-	388,360	-
Rental income	3	326,678	-	326,678	247,475
Profit on sale of fixed assets		136,609	-	136,609	-
Total		1,468,925	54,420	1,523,345	2,823,373
EXPENDITURE ON					
Raising funds	5	12,760	3,850	16,610	25,987
Charitable activities	6				
Mosque & community		955,718	-	955,718	766,014
Quran school		-	-	-	1,530
VCS Infrastructure		-	2,450	2,450	42,000
Ramadhan project		4,664	-	4,664	12,739
Loss on sale of fixed assets		-	-	-	69,913
Other		754	-	754	29,194
Total		973,896	6,300	980,196	947,377
NET INCOME		495,029	48,120	543,149	1,875,996
RECONCILIATION OF FUNDS					
Total funds brought forward		13,951,968	669,125	14,621,093	12,745,097
TOTAL FUNDS CARRIED FORWARD		14,446,997	717,245	15,164,242	14,621,093

The notes form part of these financial statements

Muslim Welfare House

Statement of Financial Position 31 March 2021

	Notes	Unrestricted funds £	Restricted fund £	31.3.21 Total funds £	31.3.20 Total funds £
FIXED ASSETS					
Tangible assets	14	12,711,021	-	12,711,021	12,523,387
Investment property	15	490,000	-	490,000	490,000
		<u>13,201,021</u>	<u>-</u>	<u>13,201,021</u>	<u>13,013,387</u>
CURRENT ASSETS					
Debtors	16	505,609	-	505,609	529,992
Cash at bank and in hand		771,700	717,245	1,488,945	1,127,470
		<u>1,277,309</u>	<u>717,245</u>	<u>1,994,554</u>	<u>1,657,462</u>
CREDITORS					
Amounts falling due within one year	17	(31,333)	-	(31,333)	(49,756)
NET CURRENT ASSETS		<u>1,245,976</u>	<u>717,245</u>	<u>1,963,221</u>	<u>1,607,706</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,446,997</u>	<u>717,245</u>	<u>15,164,242</u>	<u>14,621,093</u>
NET ASSETS		<u>14,446,997</u>	<u>717,245</u>	<u>15,164,242</u>	<u>14,621,093</u>
FUNDS	18				
Unrestricted funds				14,446,997	13,951,968
Restricted funds				717,245	669,125
TOTAL FUNDS				<u>15,164,242</u>	<u>14,621,093</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The notes form part of these financial statements

Muslim Welfare House

Statement of Financial Position - continued

31 March 2021

The trustees acknowledge their responsibilities for:

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and,
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

The financial statements were approved by the Board of Trustees and authorised for issue on 26/12/21 and were signed on its behalf by:

H.Y. Mahmoud

Mr H Y M Mohammed Mansour - Trustee / Director

The notes form part of these financial statements

Muslim Welfare House

Statement of Cash Flows for the Year Ended 31 March 2021

	Notes	31.3.21 £	31.3.20 £
Cash flows from operating activities			
Cash generated from operations	21	<u>522,162</u>	<u>2,045,947</u>
Net cash provided by operating activities		<u>522,162</u>	<u>2,045,947</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(779,233)	(2,208,485)
Sale of tangible fixed assets		<u>618,546</u>	<u>248,466</u>
Net cash used in investing activities		<u>(160,687)</u>	<u>(1,960,019)</u>
Change in cash and cash equivalents in the reporting period		<u>361,475</u>	<u>85,928</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,127,470</u>	<u>1,041,542</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,488,945</u></u>	<u><u>1,127,470</u></u>

The notes form part of these financial statements.

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the Charity.

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

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those condition is wholly within the control of the charity and is probable that those conditions will be fulfilled in the reporting period.

Income from government and other grants, whether "capital" grants or "revenue" grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

The value of services provided by volunteers is difficult to put a monetary value on and therefore has not been included in accordance with the Charities SORP (FRS102).

Rental income is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of rent received or payable by the tenant.

Expenditure and irrecoverable vat

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure; it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

Muslim Welfare House

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES - continued

Expenditure and irrecoverable vat

Governance costs

Governance costs shall include all expenditure directly related to the administration of the charity including expenditure incurred in the management of the charity's assets, organisational administration and compliance with charitable and statutory requirements.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

The methods and principles for the allocation and apportionment of all costs between the different activity categories of resources set out above are based on the test of whether a cost directly contributes to the particular related source of income. Such identifiable costs are apportioned to the specific activity, whereas all other costs are allocated to support costs of charitable activities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on building cost
Long leasehold	- 2% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 20% on cost

Land is not being depreciated.

Tangible fixed assets are stated at historical cost/ or on a revaluation basis (deemed cost for Land and Building) less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Investment property

Investment properties are shown at fair value valuation. Any aggregate surplus or deficit arising from changes in fair value is transferred to the SOFA.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

1. ACCOUNTING POLICIES - continued

Operating lease commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Debtors

Basic financial assets, including trade and other debtors, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Included in debtors is a concessionary interest free loan given to another charity. The charity has applied section 21.26 of the charity SORP in recognising and measuring the loan of the amount paid with the carrying amount adjusted in subsequent years to reflect repayments and adjusted if necessary for any impairment.

Creditors

Basic financial liabilities, including trade and other creditors, loans from third parties and loans from related parties, 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. Such instruments are subsequently carried at amortised cost using the effective interest method, less any impairment.

Related Party Note

The charity discloses related party transactions in the notes to the financial statements.

Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions, and other short-term highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Going concern - Covid-19

The trustees instigated quick measures with respect to online collection of donations. Most of the staff were put on furlough to reduce cost. The charity received grants from Home Office. The charity also received donations from other organisations for the supply of essentials during pandemic to mitigate risk of spreading the Covid-19.

The Coronavirus pandemic therefore did not have significant impact on the operations and financial position of the charity. There are no other going concern issues in the opinion of the trustees.

Accounts have therefore been prepared on a going concern basis.

Muslim Welfare House

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

2. DONATIONS AND LEGACIES

	31.3.21	31.3.20
	£	£
Donations from MWH Trust	5,129	16,500
Donations	514,696	2,368,337
	<u>519,825</u>	<u>2,384,837</u>

3. RENTAL INCOME

	31.3.21	31.3.20
	£	£
Rents receivable	266,678	247,475
Rosemary Income	60,000	-
	<u>326,678</u>	<u>247,475</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.21	31.3.20
		£	£
Bazar Income	Mosque & community	-	1,057
Income from trips	Mosque & community	-	2,064
Eden income	Eden project	87,898	69,428
Tajwid Income	Quran school	3,165	14,910
Arabic School	Quran school	2,150	12,415
Quran School	Quran school	6,947	18,910
Books sale	Quran school	-	896
VCF Grant	VCS Infrastructure	50,000	40,000
Ramadhan Sponsorship	Ramadhan project	1,713	31,381
Grants	Grants	388,360	-
		<u>540,233</u>	<u>191,061</u>

Grants received, included in the above, are as follows:

	31.3.21	31.3.20
	£	£
HMRC JRS Grants	142,233	-
HMRC Council Grants	35,000	-
Other Charitable Covid Grants	211,127	-
	<u>388,360</u>	<u>-</u>

Muslim Welfare House

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

5. RAISING FUNDS

Raising donations and legacies

	31.3.21	31.3.20
	£	£
Just giving expense	216	216
Zakatul Fity	3,850	3,900
	<u>4,066</u>	<u>4,116</u>

Investment management costs

	31.3.21	31.3.20
	£	£
Council Tax & Service Charges	6,816	18,900
Property management	5,728	2,971
	<u>12,544</u>	<u>21,871</u>

Aggregate amounts

	<u>16,610</u>	<u>25,987</u>
--	---------------	---------------

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 7) £	Support costs (see note 8) £	Totals £
Mosque & community	758,476	11,979	185,263	955,718
VCS Infrastructure	2,450	-	-	2,450
Ramadhan project	4,664	-	-	4,664
	<u>765,590</u>	<u>11,979</u>	<u>185,263</u>	<u>962,832</u>

Muslim Welfare House

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

7. GRANTS PAYABLE

	31.3.21	31.3.20
	£	£
Mosque & community	<u>11,979</u>	<u>11,979</u>

8. SUPPORT COSTS

	Management	Finance	Governance	Totals
	£	£	costs	£
Mosque & community	<u>165,951</u>	<u>1,762</u>	<u>17,550</u>	<u>185,263</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.21	31.3.20
	£	£
Depreciation - owned assets	109,662	100,208
Other operating leases	-	12,331
Surplus/(deficit) on disposal of fixed assets	<u>(136,609)</u>	<u>69,913</u>

10. AUDITORS' REMUNERATION

	31.3.21	31.3.20
	£	£
Fees payable to the charity's auditors and their associates for the audit of the charity's financial statements	3,500	3,500
Auditors' remuneration for non audit work	<u>3,400</u>	<u>3,400</u>

Muslim Welfare House

Notes to the Financial Statements- continued for the Year Ended 31 March 2021

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

12. KEY MANAGEMENT

	31.3.21	31.3.20
	£	£
Wages and salaries	382,893	382,079
Social security costs	17,609	19,722
Other pension costs	2,525	1,918
	<u>403,027</u>	<u>403,719</u>

The average monthly number of employees during the year was as follows:

	31.3.21	31.3.20
Engaged on charitable activities	27	32
Engaged on management and administration	8	8
	<u>35</u>	<u>40</u>

No employees received emoluments in excess of £60,000.

The Key Management Personnel is considered to be Mr Toufik Kacimi, CEO, has a gross salary of £40,000 p.a (2020: £40,000).

Muslim Welfare House

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	294,910	2,089,927	2,384,837
Charitable activities			
Mosque & community	3,121	-	3,121
Eden project	69,428	-	69,428
Quran school	47,131	-	47,131
VCS Infrastructure	-	40,000	40,000
Ramadhan project	31,381	-	31,381
Rental income	247,475	-	247,475
Total	693,446	2,129,927	2,823,373
EXPENDITURE ON			
Raising funds	22,087	3,900	25,987
Charitable activities			
Mosque & community	765,267	747	766,014
Quran school	1,530	-	1,530
VCS Infrastructure	-	42,000	42,000
Ramadhan project	12,739	-	12,739
Loss on sale of fixed assets	69,913	-	69,913
Other	29,194	-	29,194
Total	900,730	46,647	947,377
NET INCOME/(EXPENDITURE)	(207,284)	2,083,280	1,875,996
Transfers between funds	2,085,280	(2,085,280)	-
Net movement in funds	1,877,996	(2,000)	1,875,996
RECONCILIATION OF FUNDS			
Total funds brought forward	12,073,972	671,125	12,745,097
TOTAL FUNDS CARRIED FORWARD	13,951,968	669,125	14,621,093

Muslim Welfare House

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

14. TANGIBLE FIXED ASSETS

Included in cost of land and buildings is freehold land of £8,225,306 (2020: £8,367,074) which is not depreciated.

15. INVESTMENT PROPERTY

FAIR VALUE

At 1 April 2020

and 31 March 2021

£

490,000

NET BOOK VALUE

At 31 March 2021

490,000

At 31 March 2020

490,000

The investment properties are stated at their fair value determined by trustees.

16. DEBTORS

31.3.21

31.3.20

£

£

Amounts falling due within one year:

Trade debtors

24,039

57,818

Other debtors

289,366

285,545

Prepayments

14,204

8,629

327,609

351,992

Amounts falling due after more than one year:

Other debtors

178,000

178,000

Aggregate amounts:

505,609

529,992

All the above are shown at amortised cost.

Included in debtors is a concessionary interest free loan given to another charity of £190,000 (2020: £190,000). The charity has applied section 21.26 of the charity SORP in recognising and measuring the loan of the amount paid with the carrying amount adjusted in subsequent years to reflect repayments and adjusted if necessary for any impairment.

£178,000 (2020: £178,000) of the balance is due after more than one year.

Muslim Welfare House

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21 £	31.3.20 £
Trade creditors	10,345	12,002
Social security and other taxes	2,658	7,644
Pensions fund	-	779
Other creditors	9,540	9,540
Accrued expenses	8,790	19,791
	<u>31,333</u>	<u>49,756</u>

18. MOVEMENT IN FUNDS

	At 1/4/20 £	Net movement in funds £	At 31/3/21 £
Unrestricted funds			
General fund	13,919,445	495,029	14,414,474
Revaluation reserve	32,523	-	32,523
	<u>13,951,968</u>	<u>495,029</u>	<u>14,446,997</u>
Restricted funds			
Restricted fund	669,125	48,120	717,245
	<u>669,125</u>	<u>48,120</u>	<u>717,245</u>
TOTAL FUNDS	<u>14,621,093</u>	<u>543,149</u>	<u>15,164,242</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,468,925	(973,896)	495,029
Restricted funds			
Restricted fund	54,420	(6,300)	48,120
	<u>1,523,345</u>	<u>(980,196)</u>	<u>543,149</u>
TOTAL FUNDS	<u>1,523,345</u>	<u>(980,196)</u>	<u>543,149</u>

Muslim Welfare House**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021****18. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
Unrestricted funds				
General fund	12,041,449	(207,284)	2,085,280	13,919,445
Revaluation reserve	32,523	-	-	32,523
	12,073,972	(207,284)	2,085,280	13,951,968
Restricted funds				
Restricted fund	671,125	2,083,280	(2,085,280)	669,125
TOTAL FUNDS	12,745,097	1,875,996	-	14,621,093

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	693,446	(900,730)	(207,284)
Restricted funds			
Restricted fund	2,129,927	(46,647)	2,083,280
TOTAL FUNDS	2,823,373	(947,377)	1,875,996

Restricted funds consists of donations from Embassy of Kuwait UK for the acquisition of properties.

Muslim Welfare House

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

19. CAPITAL COMMITMENTS

	31.3.21	31.3.20
	£	£
Contracted but not provided for in the financial statements	<u>1,800,000</u>	<u>-</u>

20. RELATED PARTY DISCLOSURES

The charity received donations of £5,129 (2019: 16,500) from Muslim Welfare House Trust, having common trustees.

21. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.21	31.3.20
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	543,149	1,875,996
Adjustments for:		
Depreciation charges	109,662	100,208
(Profit)/loss on disposal of fixed assets	(136,609)	69,913
Decrease/(increase) in debtors	24,383	(25,173)
(Decrease)/increase in creditors	(18,423)	25,003
Net cash provided by operations	<u>522,162</u>	<u>2,045,947</u>

22. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/20	Cash flow	At 31/3/21
	£	£	£
Net cash			
Cash at bank and in hand	<u>1,127,470</u>	<u>361,475</u>	<u>1,488,945</u>
	<u>1,127,470</u>	<u>361,475</u>	<u>1,488,945</u>
Total	<u>1,127,470</u>	<u>361,475</u>	<u>1,488,945</u>