

The Gloucester Muslim Welfare Association Limited

Charity No. 256774

Company No. 00892661

Trustees' Report and Unaudited Accounts

31 October 2021

The Gloucester Muslim Welfare Association Limited
Independent Examiners Report

Independent Examiner's Report to the trustees of The Gloucester Muslim Welfare Association Limited

I report to the charity trustees on my examination of the financial statements of The Gloucester Muslim Welfare Association Limited for the year ended 31 October 2021 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the 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 can confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that:

- accounting records were not kept in accordance with section 386 of the 2006 Act ; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the accounting requirements under section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the financial statements have not been prepared in accordance with the Charities SORP (FRS 102).

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.

Robert Powell
ICAEW
Robert Powell Chartered Accountant
C2 Spinnaker House
Hempsted Lane
Gloucester

GL2 5FD
09 May 2022

The Gloucester Muslim Welfare Association Limited

Statement of Financial Activities

for the year ended 31 October 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:					
Donations and legacies	4	53,396	3,825	57,221	60,773
Charitable activities	5	2,377	-	2,377	3,310
Other trading activities	6	25,875	-	25,875	26,912
Investments	7	20,535	-	20,535	31,138
Other	8	2,824	-	2,824	7,406
Total		105,007	3,825	108,832	129,539
Expenditure on:					
Raising funds	9	6,096	2,500	8,596	9,365
Charitable activities	10	-	15,150	15,150	6,000
Other	11	59,687	-	59,687	58,993
Total		65,783	17,650	83,433	74,358
Net gains on investments		-	-	-	-
Net income		39,224	(13,825)	25,399	55,181
Transfers between funds		-	-	-	-
Net income before other gains/(losses)		39,224	(13,825)	25,399	55,181
Other gains and losses					
Net movement in funds		39,224	(13,825)	25,399	55,181
Reconciliation of funds:					
Total funds brought forward		1,151,180	(277,255)	873,925	818,744
Total funds carried forward		1,190,404	(291,080)	899,324	873,925

The Gloucester Muslim Welfare Association Limited
Summary Income and Expenditure Account
for the year ended 31 October 2021

	2021 £	2020 £
Income	88,297	98,401
Interest and investment income	20,535	31,138
Gross income for the year	<u>108,832</u>	<u>129,539</u>
Expenditure	83,433	74,358
Total expenditure for the year	<u>83,433</u>	<u>74,358</u>
Net income before tax for the year	25,399	55,181
Net income for the year	<u><u>25,399</u></u>	<u><u>55,181</u></u>

The Gloucester Muslim Welfare Association Limited

Balance Sheet

at 31 October 2021

Company No. 00892661	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	13	<u>700,167</u>	<u>700,167</u>
		700,167	700,167
Current assets			
Debtors	14	7,916	1,458
Cash at bank and in hand		<u>374,531</u>	<u>187,409</u>
		382,447	188,867
Creditors: Amount falling due within one year	15	<u>(183,290)</u>	<u>(15,109)</u>
Net current assets		199,157	173,758
Total assets less current liabilities		<u>899,324</u>	<u>873,925</u>
Net assets excluding pension asset or liability		899,324	873,925
Total net assets		<u><u>899,324</u></u>	<u><u>873,925</u></u>
The funds of the charity			
Restricted funds	17		
Restricted income funds		<u>(291,080)</u>	<u>(277,255)</u>
		(291,080)	(277,255)
Unrestricted funds	17		
General funds		<u>968,342</u>	<u>929,118</u>
		968,342	929,118
Reserves	17		
Revaluation reserve		<u>222,062</u>	<u>222,062</u>
		222,062	222,062
Total funds		<u><u>899,324</u></u>	<u><u>873,925</u></u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

For the year ended 31 October 2021 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

Approved by the board on 09 May 2022

And signed on its behalf by:

Y. Patel
Trustee
09 May 2022

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Change in basis of accounting or to previous accounts

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

Fund accounting

Unrestricted funds	These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds	These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds	These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds	These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

Income

Recognition of income Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.

Income with related expenditure Where income has related expenditure the income and related expenditure is reported gross in the SoFA.

Donations and legacies Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.

Tax reclaims on donations and gifts Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.

Donated services and facilities These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.

Volunteer help The value of any volunteer help received is not included in the accounts.

Investment income This is included in the accounts when receivable.

Gains/(losses) on revaluation of fixed assets This includes any gain or loss resulting from revaluing investments to market value at the end of the year.

Gains/(losses) on investment assets This includes any gain or loss on the sale of investments.

Expenditure

Recognition of expenditure	Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.
Expenditure on raising funds	These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.
Expenditure on charitable activities	These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.
Grants payable	All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.
Governance costs	These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.
Other expenditure	These are support costs not allocated to a particular activity.

Taxation

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

Freehold investment property

Investment properties are measured initially at cost and subsequently at fair value at each balance sheet date and are not depreciated. All gains or losses are taken to the Statement of Financial Activities as they arise.

Stocks

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

Trade and other debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Monetary assets and liabilities denominated in currencies other than the functional currency of the charity are translated at the rates of exchange prevailing at the end of the reporting period.

Transactions in currencies other than the functional currency of the charity are recorded at the rate of exchange on the date that the transaction occurred.

All exchange differences are taken into account in arriving at net income/expenditure.

Leased assets

Where the charity enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease.

Leases which do not transfer substantially all the risks and rewards of ownership to charity are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the charity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet date as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the charity's policy on borrowing costs.

Assets held under finance leases are depreciated in the same way as owned assets.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Pension costs

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations. The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Receipt of donated goods, facilities and services

All donated goods, facilities and services received are recognised within incoming resources and expenditure at an estimate of the value to the charity.

2 Company status

The company is a private company limited by guarantee and consequently does not have share capital.

3 Statement of Financial Activities - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Income and endowments from:			
Donations and legacies	51,284	9,489	60,773
Charitable activities	3,310	-	3,310
Other trading activities	26,912	-	26,912
Investments	31,138	-	31,138
Other	7,406	-	7,406
Total	<u>120,050</u>	<u>9,489</u>	<u>129,539</u>
Expenditure on:			
Raising funds	2,324	7,041	9,365
Charitable activities	-	6,000	6,000
Other	58,993	-	58,993
Total	<u>61,317</u>	<u>13,041</u>	<u>74,358</u>
Net income	<u>58,733</u>	<u>(3,552)</u>	<u>55,181</u>
Net income before other gains/(losses)	58,733	(3,552)	55,181
Other gains and losses:			
Net movement in funds	<u>58,733</u>	<u>(3,552)</u>	<u>55,181</u>
Reconciliation of funds:			
Total funds brought forward	1,092,447	(273,703)	818,744
Total funds carried forward	<u><u>1,151,180</u></u>	<u><u>(277,255)</u></u>	<u><u>873,925</u></u>

4 Income from donations and legacies

	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Donations	48,277	-	48,277	45,144
Income tax refunds on covenants	5,119	-	5,119	6,140
Sundry income and donations for special appeals	-	2,761	2,761	8,357
Donations, income tax refunds and loans	-	1,064	1,064	1,132
	<u>53,396</u>	<u>3,825</u>	<u>57,221</u>	<u>60,773</u>

5 Income from charitable activities

	Unrestricted	Total 2021	Total 2020
	£	£	£
Marriage fees	290	290	-
Funeral income	2,087	2,087	3,310
	<u>2,377</u>	<u>2,377</u>	<u>3,310</u>

6 Income from other trading activities

	Unrestricted	Total 2021	Total 2020
	£	£	£
Membership fees	25,875	25,875	26,912
	<u>25,875</u>	<u>25,875</u>	<u>26,912</u>

7 Income from investments

	Unrestricted	Total 2021	Total 2020
	£	£	£
Rents received	20,535	20,535	31,138
	<u>20,535</u>	<u>20,535</u>	<u>31,138</u>

8 Other income

	Unrestricted	Total 2021	Total 2020
	£	£	£
Sundry income	524	524	2,261
Mortuary room refurbishment donations	2,300	2,300	5,145
	<u>2,824</u>	<u>2,824</u>	<u>7,406</u>

9 Expenditure on raising funds

	Unrestricted	Restricted	Total 2021	Total 2020
	£	£	£	£
<i>Costs of generating voluntary income</i>				
Donations	-	2,500	2,500	7,041
<i>Investment management costs</i>				
Rents received	6,096	-	6,096	2,324
	<u>6,096</u>	<u>2,500</u>	<u>8,596</u>	<u>9,365</u>

10 Expenditure on charitable activities

	Restricted	Total 2021	Total 2020
	£	£	£
<i>Governance costs</i>			
Transfer to Mosque account	15,150	15,150	6,000
	<u>15,150</u>	<u>15,150</u>	<u>6,000</u>

11 Other expenditure

	Unrestricted	Total 2021	Total 2020
	£	£	£
Employee costs	31,876	31,876	35,246
Premises costs	22,182	22,182	18,814
General administrative costs	5,131	5,131	4,433
Legal and professional costs	498	498	500
	<u>59,687</u>	<u>59,687</u>	<u>58,993</u>

12 Staff costs

	2021	2020
	£	£
Salaries and wages	31,876	35,246
	<u>31,876</u>	<u>35,246</u>

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

13 Tangible fixed assets

	£	£
Cost or revaluation		
At 1 November 2020	700,167	700,167
At 31 October 2021	<u>700,167</u>	<u>700,167</u>
Net book values		
At 31 October 2021	<u>700,167</u>	<u>700,167</u>
At 31 October 2020	<u>700,167</u>	<u>700,167</u>

14 Debtors

	2021	2020
	£	£
Prepayments and accrued income	7,916	1,458
	<u>7,916</u>	<u>1,458</u>

15 Creditors:

amounts falling due within one year

	2021	2020
	£	£
Other creditors	23,290	15,109
Deferred income	160,000	-
	<u>183,290</u>	<u>15,109</u>

16 Deferred Income

Movement of the deferred income shown in Creditors: amounts falling due more than one year

	2021	2020
	£	£
Deferred in current year	150,000	-
At 31 October	<u>150,000</u>	<u>-</u>

17 Movement in funds

	At 1 November 2020	Incoming resources (including other gains/losse s) £	Resources expended £	At 31 October 2021 £
Restricted funds:				
Restricted income funds:				
Special purposes	12,032	2,761	(2,500)	12,293
Mosque extension fund	(307,382)	1,064	(15,150)	(321,468)
Islamic School property investment fund	18,095	-	-	18,095
<i>Total</i>	<u>(277,255)</u>	<u>3,825</u>	<u>(17,650)</u>	<u>(291,080)</u>
Unrestricted funds:				
General funds	929,118	105,007	(65,783)	968,342
Revaluation Reserves:				
Revaluation fund	222,062	-		222,062
<i>Total revaluation reserves</i>	<u>222,062</u>	<u>-</u>		<u>222,062</u>
Total funds	<u><u>873,925</u></u>	<u><u>108,832</u></u>	<u><u>(83,433)</u></u>	<u><u>899,324</u></u>

Purposes and restrictions in relation to the funds:

Revaluation reserves Represent the amount by which investments exceed their historical cost.

Restricted funds:

Special purposes

Mosque extension fund

Islamic School property

investment fund

18 Analysis of net assets between funds

	Unrestricte d funds £	Restricted funds £	Total £
Fixed assets	700,167	-	700,167
Net current assets	186,864	12,293	199,157
	<u>887,031</u>	<u>12,293</u>	<u>899,324</u>

19 Reconciliation of net debt

	At 1 November 2020 £	Cash flows £	At 31 October 2021 £
Cash and cash equivalents	187,409	187,122	374,531
	<u>187,409</u>	<u>187,122</u>	<u>374,531</u>
Net debt	<u>187,409</u>	<u>187,122</u>	<u>374,531</u>

20 Related party disclosures

Controlling party

The company is limited by guarantee and has no share capital; thus no single party controls the company.

The Gloucester Muslim Welfare Association Limited
Detailed Statement of Financial Activities
for the year ended 31 October 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:				
Donations and legacies				
Donations	48,277	-	48,277	45,144
Income tax refunds on covenants	5,119	-	5,119	6,140
Sundry income and donations for special appeals	-	2,761	2,761	8,357
Donations, income tax refunds and loans	-	1,064	1,064	1,132
	<u>53,396</u>	<u>3,825</u>	<u>57,221</u>	<u>60,773</u>
Charitable activities				
Marriage fees	290	-	290	-
Funeral income	2,087	-	2,087	3,310
	<u>2,377</u>	<u>-</u>	<u>2,377</u>	<u>3,310</u>
Other trading activities				
Membership fees	25,875	-	25,875	26,912
	<u>25,875</u>	<u>-</u>	<u>25,875</u>	<u>26,912</u>
Investments				
Rents received	20,535	-	20,535	31,138
	<u>20,535</u>	<u>-</u>	<u>20,535</u>	<u>31,138</u>
Other				
Sundry income	524	-	524	2,261
Mortuary room refurbishment donations	2,300	-	2,300	5,145
	<u>2,824</u>	<u>-</u>	<u>2,824</u>	<u>7,406</u>
Total income and endowments	105,007	3,825	108,832	129,539
Expenditure on:				
Costs of generating donations and legacies				
Donations	-	2,500	2,500	7,041
	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>7,041</u>
Investment management costs				
Rents received	6,096	-	6,096	2,324
	<u>6,096</u>	<u>-</u>	<u>6,096</u>	<u>2,324</u>
Total of expenditure on raising funds	6,096	2,500	8,596	9,365
Governance costs				
Transfer to Mosque account	-	15,150	15,150	6,000
	<u>-</u>	<u>15,150</u>	<u>15,150</u>	<u>6,000</u>

The Gloucester Muslim Welfare Association Limited
Detailed Statement of Financial Activities

Total of expenditure on charitable activities	-	15,150	15,150	6,000
Employee costs				
Salaries/wages	31,876	-	31,876	35,246
	<u>31,876</u>	<u>-</u>	<u>31,876</u>	<u>35,246</u>
Premises costs				
Rates	484	-	484	1,518
Light, heat and power	9,255	-	9,255	8,264
Premises repairs and maintenance	6,593	-	6,593	5,081
Other premises costs	5,850	-	5,850	3,951
	<u>22,182</u>	<u>-</u>	<u>22,182</u>	<u>18,814</u>
General administrative costs, including depreciation and amortisation				
General insurances	2,683	-	2,683	3,500
Stationery and printing	624	-	624	264
Subscriptions	150	-	150	150
Sundry expenses	1,508	-	1,508	350
Telephone and broadband	166	-	166	169
	<u>5,131</u>	<u>-</u>	<u>5,131</u>	<u>4,433</u>
Legal and professional costs				
Independent examination fees	498	-	498	500
	<u>498</u>	<u>-</u>	<u>498</u>	<u>500</u>
Total of expenditure of other costs	<u>59,687</u>	<u>-</u>	<u>59,687</u>	<u>58,993</u>
Total expenditure	65,783	17,650	83,433	74,358
Net gains on investments	-	-	-	-
Net income	<u>39,224</u>	<u>(13,825)</u>	<u>25,399</u>	<u>55,181</u>
Net income before other gains/(losses)	39,224	(13,825)	25,399	55,181
Other Gains	-	-	-	-
Net movement in funds	<u>39,224</u>	<u>(13,825)</u>	<u>25,399</u>	<u>55,181</u>
Reconciliation of funds:				
Total funds brought forward	1,151,180	(277,255)	873,925	818,744
Total funds carried forward	<u>1,190,404</u>	<u>(291,080)</u>	<u>899,324</u>	<u>873,925</u>