

MARKAZ BUKHARI

ANNUAL REPORT & FINANCIAL STATEMENTS FOR YEAR ENDED 31ST JANUARY 2021

Charity Registration No. 1181877

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The Trustees present their report and financial statements for year end 31st January 2021 for the Charitable Incorporated Organisation.

The financial statements have been prepared in accordance with the Charitable Incorporated Organisation's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published (FRS 102) (effective 1st January 2015).

OBJECTIVES AND ACTIVITIES

To advance the Islamic religion for the benefit of the public through holding prayers, lectures, regular classes and producing and distributing literature on Islam to enlighten others about Islam.

Main activities:

- Two weekly religious educational classes.
- Free online radio station where we broadcast Islamic lectures and lessons.
- Periodic community Islamic lectures.
- Educational Islamic annual conference for the local and wider community.
- Free literature distributed via our social network platforms for free.
- Website where we upload all of our lectures and publications for free.

Public Benefit

In considering the objectives and activities, the Trustees have considered the Charity Commission's guidance on Public Benefit to ensure that the organisation is meeting its Public Benefit requirements.

ACHIEVEMENTS AND PERFORMANCE

During this period, the following outcomes were achieved:

The charity rented venues to conduct Islamic educational programmes (which had to be paused in March 2020 due to the coronavirus pandemic and government advice), including:

- 1) Religious educational classes twice a week free of charge for the whole community, on a variety of Islamic topics.
- 2) An educational annual conference attended by the local and wider community with speakers addressing various Islamic topics.
- 3) The charity broadcasts all of its religious educational lectures on its dedicated online radio.
- 4) The charity records all of its educational lectures and uploads them on Soundcloud and also on the charity's website.
- 5) The charity also produced free Islamic literature and distributed it via its website, YouTube and social media platforms.

FINANCIAL REVIEW

Total income for the period was £28,956 of which £23,832 related to funding for projects upon which restrictions are placed.

Total expenditure for the period was £1,776 (of which £NIL related to restricted funds), leaving a surplus for the period of £79,351.

At 31st January 2021 the Charitable Incorporated Organisation's reserves stood at £79,351, of which £75,264 represented restricted funds.

Risk Management

The main risks to which the Charitable Incorporated Organisation is exposed as identified by the Trustees have been considered and systems have been established to mitigate those risks.

Reserves Policy

It is the policy of the Charitable Incorporated Organisation to maintain unrestricted funds, which are free reserves of one month's running costs should no further funding be received.

As at the end of the financial period the unrestricted funds totalled £4,087. The Charitable Incorporated Organisation requires £149 for one month's running costs.

Plans for the future

As a result of the reduced activities due to the pandemic the charity has received less donations from its long-standing regular donors, however as expenditure also significantly reduced during this period the charity was not negatively impacted. We made people aware at the end of 2021 through our social media channels that our usual activities such as the week educational seminars will resume given changes in government guidance, this has since encouraged donors to continue to support the charity post lockdown.

The future plans of the charity will largely be governed by government guidance on the Covid-19 pandemic and how the virus is controlled. If it is safe for the charity to continue all its activities, the charity will continue to do so. The trustees will continue to monitor the situation and will take swift action when necessary to pause or restart some activities.

Our online publications, videos and live seminars have increased significantly, which has been received well by our target audience; this has been measured through positive comments on our online material on social media and through the growing number of followers on our channels. Our volunteer led media team will continue to produce educational and engaging material inline with our charity's aims and objectives.

Covid-19

Covid-19 has had a significant impact on the charity's operations, due to the government guidelines, restrictions, and lockdowns. The charity was not able to carry out some of its usual activities in 2020-2021 such as the annual conference and the in-person weekly educational seminars. However, in response to this the charity continued its educational seminars online through our twitter and YouTube channel. All activities resumed in August 2021 after government guidance and rules changed.

MARKAZ BUKHARI

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST JANUARY 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Markaz Bukhari is a registered Charitable Incorporated Organisation (CIO), number 1181877 formed on 5th February 2019, under the terms of their constitution dated 4th November 2018.

There must be at least three Trustees. If the number falls below this minimum, the remaining Trustee or Trustees may act only to call a meeting of the Trustees, or appoint a new Trustee.

There is no maximum number of charity Trustees that may be appointed to the CIO. The first three Trustees are Yusuf Ho, Abdikarim Mohamud and Awil Ali Abokor.

Apart from the first Trustees, every Trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the Trustees.

In selecting individuals for appointment as Trustee, the Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

The Trustees will make available to each new trustee, on or before his or her first appointment:

- (1) a copy of the current version of this constitution; and
- (2) a copy of the CIO's latest Trustees' Annual Report and statement of accounts.

REFERENCE AND ADMINISTRATIVE DETAILS

Name	Markaz Bukhari
Charity number	1181877
Address & Office	School House Church Road, Wavertree, Liverpool, L15 9ED
Trustees	The members of the Board of Trustees are as follows: A Mohamud Y Ho A Abokor
Independent Examiner	Paula Sanchez ACCA c/o LCVS 151 Dale Street, Liverpool, L2 2AH
Bankers	Lloyds Bank PLC Blackheath London, PO Box 1000, BX1 1LT

Signed on behalf of the Trustees



.....
A Mohamud, Trustee

19/11/21
.....

Date

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MARKAZ BUKHARI

I report on the accounts of the Charitable Incorporated Organisation for year end 31st January 2021 which are set out on pages 6 to 13.

Respective responsibilities of trustees and examiner

The Charitable Incorporated Organisation's Trustees are responsible for the preparation of the accounts. The Charitable Incorporated Organisation's Trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charitable Incorporated Organisation and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act;
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name: **Paula Sanchez**



Relevant professional qualification or body: **ACCA**

Address: **c/o LCVS 151 Dale Street, L2 2AH**

Dated: **22 Nov. 2021**

MARKAZ BUKHARI**STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR END 31ST JANUARY 2021**

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020
Income and Endowments from					
Donations	2a	5,124	23,832	28,956	61,521
Other trading activities	2b	-	-	-	1,050
		-----	-----	-----	-----
				-	
Total income		5,124	23,832	28,956	62,571
		-----	-----	-----	-----
				-	
Expenditure on					
Charitable activities	3	1,776	-	1,776	10,400
		-----	-----	-----	-----
				-	
Total expenditure		1,776	-	1,776	10,400
		-----	-----	-----	-----
				-	
Net income, net movement in funds		3,348	23,832	27,180	52,171
Total funds brought forward	8, 9	739	51,432	52,171	-
		-----	-----	-----	-----
				-	
Total funds carried forward	7 - 9	4,087	75,264	79,351	52,171
		=====	=====	=====	=====

The notes on pages 8 to 13 form part of these accounts.

All the above amounts relate to continuing activities of the Charitable Incorporated Organisation.

MARKAZ BUKHARI
BALANCE SHEET AS AT 31ST JANUARY 2021

	Notes	31 st January 2021 £	31 st January 2020
Fixed assets			
Tangible fixed assets	4	-	
Current assets			
Debtors	5	1,496	517
Cash at bank and in hand		78,380	52,179
		-----	-----
		79,876	52,696
Current liabilities			
Creditors: amounts falling due within one year	6	(525)	(525)
		-----	-----
Net current assets		79,351	52,171
		-----	-----
Total assets less current liabilities		79,351	52,171
		=====	=====
Funds:			
Unrestricted funds	7, 8	4,087	739
Restricted funds	7, 9	75,264	51,432
		-----	-----
		79,351	52,171
		=====	=====

Approved by Trustees on 19/11/21



 A Mohamud, Trustee



 A Abokor, Trustee

1. Accounting Policies

Basis of Accounting

The accounts 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. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (SORP 2015) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) (effective 1st January 2015) and Charities Act 2011.

The accounts are prepared in sterling, which is the functional currency of the Charitable Incorporated Organisation. Monetary amounts in these financial statements are rounded to the nearest £.

The Charitable Incorporated Organisation has taken advantage of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

Going concern

The Charitable Incorporated Organisation has not been significantly impacted financially by Covid-19. However, there has been some impact. For instance, some of our regular donors have paused their donations and due to Covid-19 and the charity has cancelled one of its main fundraising events of the year and had to pause some of its operations, this has resulted in reduced expenditure which overall has put the charity in a more favourable financial situation prior to Covid-19.

At the time of approving the accounts, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

Fund accounting

Unrestricted funds are the Charitable Incorporated Organisation, free reserves available for the Trustees to apply in accordance with the Charitable Incorporated Organisation's objectives.

Restricted funds are subject to specific restrictive conditions imposed by the donor. All restricted funds are accounted for as restricted income and expenditure.

Income recognition

All income is recognised once the Charitable Incorporated Organisation has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and legacies comprise of donations which are recognised in the accounts when received, with the exception of known legacies which are accounted for when their receipt is certain.

Income from other trading activities relates to fundraising events and is recognised when the amount is certain.

Fixed Assets

Capital expenditure is stated in the balance sheet at cost less accumulated depreciation. Depreciation is provided to write off the cost of each asset over its expected useful life.

Expenditure recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charitable Incorporated Organisation to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities. Support and governance costs are applied to unrestricted funds unless specifically included in the restrictions, as specified by the donor.

Expenditure on charitable activities relate to the operation of the Charitable Incorporated Organisation comprising of direct charitable expenditure to meet the objectives of the Charitable Incorporated Organisation. Support and governance costs relate to the management and operation of the organisation and also compliance with constitutional and statutory requirements in producing the annual report. These are dealt with in the Statement of Financial Activities when payment has been approved by the Charitable Incorporated Organisation.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Financial instruments

The Charitable Incorporated Organisation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charitable Incorporated Organisation's balance sheet when the Charitable Incorporated Organisation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a

market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charitable Incorporated Organisation's contractual obligations expire or are discharged or cancelled.

Critical accounting estimates and judgements

In the application of the Charitable Incorporated Organisation's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities. Support and governance costs are applied to unrestricted funds unless specifically included in the restrictions, as specified by the donor.

Cost of charitable activities relate to the operation of the Charitable Incorporated Organisation comprising of direct charitable expenditure to meet the objectives of the Charitable Incorporated Organisation. Support and governance costs relate to the management and operation of the organisation and also compliance with constitutional and statutory requirements in producing the annual report. These are dealt with in the Statement of Financial Activities when payment has been approved by the Charitable Incorporated Organisation.

Taxation

Income and gains are exempt from taxation as they are received and applied for charitable purposes only. The Charitable Incorporated Organisation benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. The Charitable Incorporated Organisation is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

MARKAZ BUKHARI**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR END 31ST JANUARY 2021****2. Income and endowments from:**

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
a. Donations and legacies				
Donations	5,124	-	5,124	9,839
Masjid restricted donation	-	23,832	23,832	51,682
	=====	=====	=====	=====
	5,124	23,832	28,956	61,521
	=====	=====	=====	=====
b. Other trading activities	£	£	£	£
Fundraising	-	-	-	1,050
	=====	=====	=====	=====

3. Expenditure on charitable activities

	Direct charitable Expenditure £	Support & Governance Costs £	Total 2021 £	Total 2020 £
To advance the Islamic religion for the benefit of the public through holding prayers, lectures, regular classes and producing and distributing literature on Islam to enlighten others about Islam.	1,251	525	1,776	10,400
	=====	=====	=====	=====

a. analysed as follows:

	2021 £	2020 £
<i>Direct Charitable Expenditure:</i>		
Equipment and clothing	-	271
Venue hire	240	1,930
Volunteer expenses	840	6,640
Online radio costs	171	178
Website costs	-	184
	=====	=====
	1,251	9,203
	=====	=====

MARKAZ BUKHARI**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR END 31ST JANUARY 2021**

	2021	2020
	£	£
<i>Support and governance costs:</i>		
Advertising	-	177
Repairs	-	65
Planning permission costs	-	253
Refreshments	-	177
Accountancy	525	525
	-----	-----
	525	1,197
	-----	-----
Total expenditure on charitable activities	1,776	10,400
	=====	=====

£Nil (2020: £250) of the above expenditure is restricted expenditure.

b. Staff Costs

There were no employees during the period up to 31st January 2021.

The Trustees are not remunerated for their services and are not included in the above number of employees.

No out of pocket expenses were reimbursed to Trustees during the period.

4. Tangible fixed assets

There were no fixed assets acquired during the period or held as at 31st January 2021.

5. Debtors

	2021	2020
	£	£
Debtors	1,496	517
	=====	=====

6. Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals	525	525
	=====	=====

7. Analysis of net assets between funds

	Tangible Fixed Assets	Net Current Assets	Total
	£	£	£
Unrestricted Funds			
General Fund	-	4,087	4,087
Restricted Funds			
Masjid restricted donation	-	75,264	75,264
	-----	-----	-----
Totals	-	79,351	79,351
	=====	=====	=====

MARKAZ BUKHARINOTES TO THE FINANCIAL STATEMENTS FOR YEAR END 31ST JANUARY 2021

8. Unrestricted Funds

		<u>Movements in the Period</u>		
	Resources at beginning of period	Income	Expenditure	Resources at end of period
	£	£	£	£
General Fund	739	5,124	(1,776)	4,087
	=====	=====	=====	=====

General Fund is used to finance the Charitable Incorporated Organisation general activities and core costs as outlined in the Trustees' Report.

9. Restricted Funds

		<u>Movements in the Period</u>		
	Resources at beginning of period	Income	Expenditure	Resources at end of period
	£	£	£	£
Masjid restricted donation	51,432	23,832	(-)	75,264
	=====	=====	=====	=====

These are monies given to the Charitable Incorporated Organisation to be spent at the discretion of the Board of Trustees for specific charitable purposes, as follows:

Masjid restricted donation – Contribution towards the building of a mosque.

10. Guarantees and Other Financial Commitments

There are no financial commitments under non-cancellable operating leases.

11. Related Parties

There were no material related party transactions during this period which require disclosure.

12. Limited liability of members

In the event of winding up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.