

# **MARKAZ BUKHARI**

## **ANNUAL REPORT & FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> JANUARY 2022**

**Charity Registration No. 1181877**

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The Trustees present their report and financial statements for year end 31<sup>st</sup> January 2022 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 1<sup>st</sup> January 2019.

## **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 continued to rent venues to conduct Islamic educational programmes. These activities were paused in March 2020 due to the coronavirus pandemic and government advice and were resumed in August 2021, these activities included:

- 1) Religious educational classes were reduced to once weekly and continued to be free of charge for the whole community, on a variety of 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 £23,326 (2021: £28,956) of which £21,261 (2021: £23,832) related to funding for projects upon which restrictions are placed.

Total expenditure for the period was £3,361 (2021: £1,776) of which £nil related to restricted funds, leaving a surplus for the period of £19,965 (2021: £27,180).

At 31<sup>st</sup> January 2022 the Charitable Incorporated Organisation's reserves stood at £99,316 (2021: £79,351), of which £96,525 (2021: £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 £2,791. The Charitable Incorporated Organisation requires £280 for one month's running costs.

### **Plans for the future**

Currently the charity is operating at a lower level due to effects from the pandemic. The charities have less donors compared to pre-Covid-19; however, it also has reduced activities which has reduced its expenditure which has allowed the charity to preserve its reserves. The future plan of the charity is to return to full activities, including regular two weekly educational lessons, yearly nationwide conference and other community in person activities that enable the charity to reach its aims and objectives. Though, the Trustees are fully aware of the threat of Covid-19 to the community, especially in the winter months and will take this into account as it relaunches all its activities in a safe phased manner.

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 online with our charity's aims and objectives.

### **Covid-19**

The Covid-19 pandemic has had a lasting effect on various industries, including the charity sector. The charity had to pause the person events, which resulted in reduced donations that came from regular donors that attend our events hence having a financial implication on the charities financial position. However, in response to this the charity continued its educational seminars online through our twitter and YouTube channel. Activities in person resumed in August 2021 after government guidance and rules changed.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

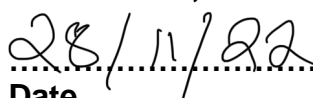
## **REFERENCE AND ADMINISTRATIVE DETAILS**

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

**Signed on behalf of the Trustees**



.....  
**A Mohamud, Trustee**



.....  
**Date**

**MARKAZ BUKHARI****STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR END 31<sup>ST</sup> JANUARY 2022**

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021
<b>Income and Endowments from</b>					
Donations	2a	2,065	21,261	23,326	28,956
Other trading activities	2b	-	-	-	-
<b>Total income</b>		<b>2,065</b>	<b>21,261</b>	<b>23,326</b>	<b>28,956</b>
<b>Expenditure on</b>					
Charitable activities	3	3,361	-	3,361	1,776
<b>Total expenditure</b>		<b>3,361</b>	<b>-</b>	<b>3,361</b>	<b>1,776</b>
<b>Net income/(expenditure), net movement in funds</b>		<b>(1,296)</b>	<b>21,261</b>	<b>19,965</b>	<b>27,180</b>
<b>Total funds brought forward</b>	8, 9	4,087	75,264	79,351	52,171
<b>Total funds carried forward</b>	7 - 9	<b>2,791</b>	<b>96,525</b>	<b>99,316</b>	<b>79,351</b>

The notes on pages 7 to 12 form part of these accounts.

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

**MARKAZ BUKHARI**  
**BALANCE SHEET AS AT 31<sup>ST</sup> JANUARY 2022**

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	Notes	31 <sup>st</sup> January 2022 £	31 <sup>st</sup> January 2021
<b>Fixed assets</b>			
Tangible fixed assets	4	-	-
<b>Current assets</b>			
Debtors	5	571	1,496
Cash at bank and in hand		99,670	78,380
		-----	-----
		100,241	79,876
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	6	(925)	(525)
		-----	-----
<b>Net current assets</b>		99,316	79,351
		-----	-----
<b>Total assets less current liabilities</b>		<b>99,316</b>	<b>79,351</b>
		=====	=====
<b>Funds:</b>			
Unrestricted funds	7, 8	2,791	4,087
Restricted funds	7, 9	96,525	75,264
		-----	-----
		<b>99,316</b>	<b>79,351</b>
		=====	=====

Approved by Trustees on ..... 28/11/22 .....



.....  
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) effective 1<sup>st</sup> January 2019 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**

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 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.

## 2. Income and endowments from:

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
<b>a. Donations and legacies</b>				
Donations	2,065	-	2,065	5,124
Masjid restricted donation	-	21,261	21,261	23,832
	-----	-----	-----	-----
	<b>2,065</b>	<b>21,261</b>	<b>23,326</b>	<b>28,956</b>
	=====	=====	=====	=====
<b>b. Other trading activities</b>				
Fundraising	-	-	-	-
	=====	=====	=====	=====

**3. Expenditure on charitable activities**

	Direct charitable Expenditure £	Support & Governance Costs £	Total 2022 £	Total 2021 £
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.	2,951	410	3,361	1,776
	=====	=====	=====	=====

**a. analysed as follows:**

	2022 £	2021 £
<i>Direct Charitable Expenditure:</i>		
Equipment and clothing	234	-
Venue hire	280	240
Volunteer expenses	1,970	840
Online radio costs	162	171
Website costs	305	-
	-----	-----
	<b>2,951</b>	<b>1,251</b>
	-----	-----
<i>Support and governance costs:</i>		
Accountancy	400	525
Bank charges	2	-
Compliance	8	-
	-----	-----
	<b>410</b>	<b>525</b>
	-----	-----
<b>Total expenditure on charitable activities</b>	<b>3,361</b>	<b>1,776</b>
	=====	=====

£Nil (2021: £nil) of the above expenditure is restricted expenditure.

**b. Staff Costs**

There were no employees during the period up to 31<sup>st</sup> January 2022.

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 31<sup>st</sup> January 2022.

**5. Debtors**

	2022	2021
	£	£
Debtors	571	1,496
	=====	=====

**6. Creditors: amounts falling due within one year**

	2022	2021
	£	£
Accruals	925	525
	=====	=====

**7. Analysis of net assets between funds**

Year end 2022	Tangible Fixed Assets	Net Current Assets	Total
	£	£	£
<b>Unrestricted Funds</b>			
General Fund	-	2,791	2,791
<b>Restricted Funds</b>			
Masjid restricted donation	-	96,525	96,525
	-----	-----	-----
<b>Totals</b>	-	99,316	99,316
	=====	=====	=====
 Year end 2021			
	Tangible Fixed Assets	Net Current Assets	Total
	£	£	£
<b>Unrestricted Funds</b>			
General Fund	-	4,087	4,087
<b>Restricted Funds</b>			
Masjid restricted donation	-	75,264	75,264
	-----	-----	-----
<b>Totals</b>	-	79,351	79,351
	=====	=====	=====

**8. Unrestricted Funds**

Year end 2022	Resources at beginning of period	<u>Movements in the Period</u>		Resources at end of period
	£	Income	Expenditure	£
General Fund	4,087	2,065	(3,361)	2,791
	=====	=====	=====	=====

Year end 2021	Resources at beginning of period £	<u>Movements in the Period</u>		Resources at end of period £
		Income	Expenditure	
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

Year end 2022	Resources at beginning of period £	<u>Movements in the Period</u>		Resources at end of period £
		Income	Expenditure	
Masjid restricted donation	75,264	21,261	(-)	96,525
	=====	=====	=====	=====

Year end 2021	Resources at beginning of period £	<u>Movements in the Period</u>		Resources at end of period £
		Income	Expenditure	
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.

**MARKAZ BUKHARI**  
**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR END 31<sup>ST</sup> JANUARY 2022**

(This page does not form part of the statutory financial statements)

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>INCOME</b>		
Donations	23,326	28,956
	-----	-----
<b>Total Income</b>	<b>23,326</b>	<b>28,956</b>
	-----	-----
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Equipment and clothing	234	-
Venue hire	280	240
Volunteer expenses	1,970	840
Compliance	8	-
Bank charges	2	-
Online radio costs	162	171
Website costs	305	-
Accountancy fees	400	525
	-----	-----
<b>Total expenditure on charitable activities</b>	<b>3,361</b>	<b>1,776</b>
	-----	-----
<b>Net income in the year</b>	<b>19,965</b>	<b>27,180</b>
	=====	=====