

MARKAZ BUKHARI

**ANNUAL REPORT & UNAUDITED
FINANCIAL STATEMENTS
FOR YEAR ENDED
31ST JANUARY 2023**

Charity Registration No. 1181877

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MARKAZ BUKHARI

The Trustees present their report and financial statements for year end 31st January 2023 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 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 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 £72,932 (2022: £23,326) of which £53,977 (2022: £21,261) related to funding for projects upon which restrictions are placed.

Total expenditure for the period was £5,218 (2022: £3,361) of which £82 related to restricted funds, leaving a surplus for the period of £67,714 (2022: £19,965).

At 31st January 2023 the Charitable Incorporated Organisation's reserves stood at £167,030

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MARKAZ BUKHARI

(2022: £99,316), of which £150,420 (2022: £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 £16,610. The Charitable Incorporated Organisation requires £428 for one month's running costs.

Plans for the future

The charity operations currently rely heavily on hiring venues to carry out its objectives and activities. Through acquiring a building where it aims to carry out its activities, the charity will now focus all of its reserves to completing the purchase of, and renovating the building, allowing it to be a free, warm and safe place for the community.

Previously the charity was operating at a lower level due to effects from the pandemic, however in more recent months the charity activities have picked up, although not still operating at pre-pandemic levels. The charity 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 trustees will continue to monitor the situation and will take swift action when necessary to pause or restart some activities as a result of any outbreak. 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 in line with our charity's aims and objectives.

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.

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
MARKAZ BUKHARI**

REFERENCE AND ADMINISTRATIVE DETAILS

Name Markaz Bukhari

Charity number 1181877

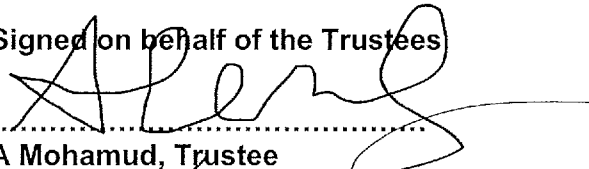
Address & Office School House
Church Road,
Wavertree,
Liverpool,
L15 9ED

Trustees The members of the Board of Trustees are as follows:
A Mohamud
Y Ho
A Abokor

Independent Examiner Paula Sanchez, ACCA
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


Date

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MARKAZ BUKHARI

I report on the accounts of the charitable company for the year ended 31st January 2023 which are set out on pages 6 to 14.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 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 charity 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.

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:

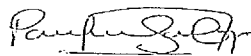
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting Charities

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.

Independent examiner's statement

Name: **Paula Sanchez**



Relevant professional qualification or body: **ACCA**

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

Dated : 22 December 2023

MARKAZ BUKHARI**STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR END 31ST JANUARY 2023**

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022
Income and Endowments from Donations	2a	18,955	53,977	72,932	23,326
Total income		18,955	53,977	72,932	23,326
Expenditure on Charitable activities	3	5,136	82	5,218	3,361
Total expenditure		5,136	82	5,218	3,361
Net income/(expenditure), net movement in funds		13,819	53,895	67,714	19,965
Total funds brought forward	8, 9	2,791	96,525	99,316	79,351
Total funds carried forward	7 - 9	16,610	150,420	167,030	99,316

The notes on pages 8 to 14 form part of these accounts.

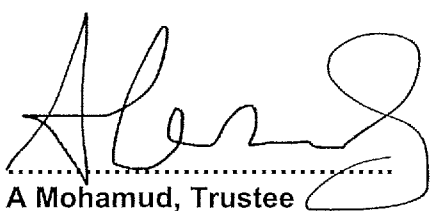
All the above amounts relate to continuing activities of the Charitable Incorporated Organisation.

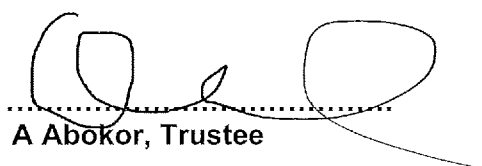
MARKAZ BUKHARI
BALANCE SHEET AS AT 31ST JANUARY 2023

	Notes	31 st January 2023 £	31 st January 2022
Fixed assets			
Tangible fixed assets	4	156,210	-
Current assets			
Debtors	5	221	571
Cash at bank and in hand		106,631	99,670
		-----	-----
		106,852	100,241
Current liabilities			
Creditors: amounts falling due within one year	6	(96,032)	(925)
		-----	-----
Net current assets		10,820	99,316
		-----	-----
Total assets less current liabilities		167,030	99,316
		=====	=====
Funds:			
Unrestricted funds	7, 8	16,610	2,791
Restricted funds	7, 9	150,420	96,525
		-----	-----
		167,030	99,316
		=====	=====

Approved by Trustees on

21/12/23


A Mohamud, Trustee


A Abokor, Trustee

1. Accounting Policies

Basis of Accounting

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 1st January 2019 and Charities Act 2011.

The financial statements 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 financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

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 as below:

Freehold Property	2% per annum straight line basis on building and Improvements elements and Nil on freehold land
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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 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
a. Donations and legacies				
Donations	18,955	-	18,955	2,065
Masjid restricted donation	-	53,977	53,977	21,261
	<u>18,955</u>	<u>53,977</u>	<u>72,932</u>	<u>23,326</u>
	=====	=====	=====	=====

3. Expenditure on charitable activities

	Direct charitable Expenditure £	Support & Governance Costs £	Total 2023 £	Total 2022 £
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.	4,326	892	5,218	3,361
	=====	=====	=====	=====
a. analysed as follows:				
	2023	2022		
<i>Direct Charitable Expenditure:</i>	£	£		
Equipment and clothing	515	234		
Venue hire	1,142	280		
Volunteer expenses	2,450	1,970		
Advertisement	47	-		
Online radio costs	172	162		
Website costs	-	305		
	-----	-----		
	4,326	2,951		
	-----	-----		
<i>Support and governance costs:</i>	£	£		
Accountancy	750	400		
Bank charges	-	2		
Sundries	60	-		
Compliance	-	8		
Depreciation	82	-		
	-----	-----		
	892	410		
	-----	-----		
Total expenditure on charitable activities	5,218	3,361		
	=====	=====		

£82 (2022: £nil) of the above expenditure is restricted expenditure.

b. Staff Costs

There were no employees during the period up to 31st January 2023.

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.

MARKAZ BUKHARI**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR END 31ST JANUARY 2023**

4. Tangible fixed assets

	Freehold Property £	Total £
Cost:		
Balance at 1 st February 2022	-	-
Additions	156,292	156,292
	-----	-----
Balance at 31 st January 2023	156,292	156,292
	=====	=====
Depreciation:		
Balance at 1 st February 2022	-	-
Charge for the year	82	82
	-----	-----
Balance at 31 st January 2023	82	82
	=====	=====
Net Book Value:		
Net Book Value 31 st January 2023	156,210	156,210
	=====	=====
Net Book Value 31 st January 2022	-	-
	=====	=====

5. Debtors

	2023 £	2022 £
Debtors	221	571
	=====	=====

6. Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals	750	925
Creditors	95,282	-
	-----	-----
Totals	96,032	925
	=====	=====

7. Analysis of net assets between funds

Year end 2023	Tangible Fixed Assets £	Net Current Assets £	Total £
Unrestricted Funds			
General Fund	-	16,610	16,610
Restricted Funds			
Masjid restricted donation	156,210	(5,790)	150,420
	-----	-----	-----
Totals	156,210	10,820	167,030
	=====	=====	=====

MARKAZ BUKHARI**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR END 31ST JANUARY 2023**

Year end 2022	Tangible Fixed Assets £	Net Current Assets £	Total £
Unrestricted Funds			
General Fund	-	2,791	2,791
Restricted Funds			
Masjid restricted donation	-	96,525	96,525
Totals	-	99,316	99,316

8. Unrestricted Funds

Year end 2023	Resources at beginning of period £	<u>Movements in the Period</u>		Resources at end of period £
		Income £	Expenditure £	
General Fund	2,791	18,955	(5,136)	16,610

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

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 2023	Resources at beginning of period £	<u>Movements in the Period</u>		Resources at end of period £
		Income £	Expenditure £	
Masjid restricted donation	96,525	53,977	(82)	150,420

MARKAZ BUKHARI**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR END 31ST JANUARY 2023**

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
	=====	=====	=====	=====

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 31ST JANUARY 2023

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

	2023	2022
	£	£
INCOME		
Donations	72,932	23,326
	-----	-----
Total Income	72,932	23,326
	-----	-----
EXPENDITURE		
Charitable activities		
Equipment and clothing	515	234
Venue hire	1,142	280
Volunteer expenses	2,450	1,970
Compliance	-	8
Bank charges	-	2
Sundries	60	-
Online radio costs	172	162
Advertisement	47	-
Website costs	-	305
Accountancy fees	750	400
Depreciation	82	-
	-----	-----
Total expenditure on charitable activities	5,218	3,361
	-----	-----
Net income in the year	67,714	19,965
	=====	=====