

Charity registration number: 272001

# The Markazi Jamiat Ahl-e-Hadith Great Britain

Annual Report and Financial Statements

for the Year Ended 31 March 2021

**The Markazi Jamiat Ahl-e-Hadith Great Britain**

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## **The Markazi Jamiat Ahl-e-Hadith Great Britain**

### **Reference and Administrative Details**

#### **Trustees**

Mr Iftikhar Ahmed

Mr Mohammad Habib ur Rahman

Mr Mohammad Ibrahim

#### **Principal Office**

20 Green Lane  
Birmingham  
B9 5DB

#### **Charity Registration Number**

272001

#### **Bankers**

United National Bank  
391-393 Stratford Road  
Birmingham  
B11 4JZ

#### **Independent Examiner**

Nasir Rafiq  
Dua Governance  
123-131 Bradford Street  
Bradford Court  
Birmingham  
B12 0NS

## **The Markazi Jamiat Ahl-e-Hadith Great Britain**

### **Trustees' Report**

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2021.

#### **Objectives and activities**

##### ***Objects and aims***

The charity's main objective is to advance the Islamic faith. The Trustees frequently review the objectives and activities of the charity to ensure that they provide an overall benefit to the public. In carrying out this review the Trustees have considered the Charity Commission's general guidance on public benefit.

##### ***Objectives, strategies and activities***

Review of activities

Sirat e Mustaqeem/Straight Path Magazine:

The monthly Urdu magazine Sirat e-Mustaqeem as well as the English Straight Path magazines continued to be printed and distributed during the year.

Islamic Judicial Board:

Providing assistance for Islamic marriages and divorces through the Islamic Judiciary Board.

Affiliated Organisations:

Throughout the year the charity continued to provide help and support to its affiliated bodies, and in some cases this has been financial support by way of short term interest free loans.

##### ***Public benefit***

The above activities are undertaken to further public benefit.

The Trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The section of the report entitled 'Objectives and Activities' sets out the objects and aims of the charity. The trustees have considered this, in conjunction with the guidance contained in the Charity Commission's general guidance on public benefit, and have concluded that:

The aims of the charity continue to be charitable.

The work done by the charity gives identifiable benefits to the charitable sector and both directly and indirectly to individuals in need.

The benefits are for the public, not unreasonably restricted in any way.

There is no detriment or harm arising from the aims or activities.

#### **Financial review**

##### ***Policy on reserves***

The charity's policy is to maintain reserves to cover six months of unrestricted expenditure. The Trustees believe the current levels of liquid reserves are sufficient to meet this objective.

##### ***Investment policy and objectives***

The charity maintains a property portfolio to generate income and capital growth.

#### **Going concern**

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

#### **Structure, governance and management**

##### ***Nature of governing document***

The Markazi Jamiat Ahl-e-Hadith Great Britain is governed by its constitution dated 3rd January 1975 as amended 23rd October 1977 and 20th November 1984.

## The Markazi Jamiat Ahl-e-Hadith Great Britain

### Trustees' Report

#### ***Recruitment and appointment of trustees***

New Trustees are elected by the General Advisory Council and appointed for a term of three years.

#### ***Induction and training of trustees***

New trustees undergo a briefing on their legal obligations under charity law, the content of the constitution, the committee and decision making processes, the business plan and recent financial performance of the charity. New trustees also meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role,

#### ***Organisational structure***

The organisation is structured as follows:

Chairman  
Vice Chairman  
General Secretary  
Deputy General Secretary  
Treasurer  
Deputy Treasurer  
Secretary for Information/Publications  
Secretary for Dawah  
Secretary for Education  
The Executive Council  
The General Advisory Council

The General Advisory Council is the main body of the organisation and consisted of 158 members in the year. Every three years the council elects from among the members a Chairman, General Secretary and Treasurer who form the principle office bearers as well as the Trustees of the Charity. All three roles are held for a term of three years from the election date.

The Chairman, General Secretary, and Treasurer have constitutional authority to select their deputy's from amongst the members. In addition the Chairman and General Secretary together will select the most suitable candidates for the roles of Secretary for Information/Publications, Secretary for Dawah and Secretary for Education. The Chairman and General Secretary will select a further ten Individuals who in association with all nine office bearers will form The Executive Council.

#### ***Major risks and management of those risks***

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The annual report was approved by the trustees of the charity on 31/1/22 and signed on its behalf by:



.....  
Mr Mohammad Habib ur Rahman  
Trustee

## **The Markazi Jamiat Ahl-e-Hadith Great Britain**

### **Statement of Trustees' Responsibilities**

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **The Markazi Jamiat Ahl-e-Hadith Great Britain**

### **Independent Examiner's Report to the trustees of The Markazi Jamiat Ahl-e-Hadith Great Britain**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2021 which are set out on pages 6 to 16.

#### **Respective responsibilities of trustees and examiner**

As the charity's trustees of The Markazi Jamiat Ahl-e-Hadith Great Britain you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').


I report in respect of my examination of the The Markazi Jamiat Ahl-e-Hadith Great Britain's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of The Markazi Jamiat Ahl-e-Hadith Great Britain as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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 accounts to be reached.

DocuSigned by:  
  
Nasir Rafiq  
DF87FC8799D942C...  
ICAEW

Dua Governance  
123-131 Bradford Street  
Bradford Court  
Birmingham  
B12 0NS

1/31/2022

Date:.....

## The Markazi Jamiat Ahl-e-Hadith Great Britain

### Statement of Financial Activities for the Year Ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	2	30,949	32,725	63,674
Other trading activities	3	33,622	-	33,622
Investment income	4	5,280	-	5,280
Total Income		69,851	32,725	102,576
<b>Expenditure on:</b>				
Raising funds	5	(18,296)	-	(18,296)
Charitable activities	6	(51,474)	(36,316)	(87,790)
Total Expenditure		(69,770)	(36,316)	(106,086)
Net movement in funds		81	(3,591)	(3,510)
<b>Reconciliation of funds</b>				
Total funds brought forward		917,478	229,015	1,146,493
Total funds carried forward	18	917,559	225,424	1,142,983

	Note	Unrestricted funds £	Restricted funds £	(Restated) Total 2020 £
<b>Income and Endowments from:</b>				
Donations and legacies	2	14,596	-	14,596
Other trading activities	3	21,115	-	21,115
Investment income	4	15,360	-	15,360
Total Income		51,071	-	51,071
<b>Expenditure on:</b>				
Raising funds	5	(34,562)	-	(34,562)
Charitable activities	6	(84,158)	-	(84,158)
Total Expenditure		(118,720)	-	(118,720)
Net movement in funds		(67,649)	-	(67,649)
<b>Reconciliation of funds</b>				
Total funds brought forward		985,127	229,015	1,214,142
Total funds carried forward	18	917,478	229,015	1,146,493

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 18.



**The Markazi Jamiat Ahl-e-Hadith Great Britain**

**(Registration number: 272001)  
Balance Sheet as at 31 March 2021**

	Note	2021 £	2020 £ (restated)
<b>Fixed assets</b>			
Tangible assets	13	429,143	451,962
Investments	14	290,000	290,000
		<u>719,143</u>	<u>741,962</u>
<b>Current assets</b>			
Debtors	15	93,000	93,000
Cash at bank and in hand	16	339,965	312,671
		<u>432,965</u>	<u>405,671</u>
<b>Creditors: Amounts falling due within one year</b>	17	<u>(9,125)</u>	<u>(1,140)</u>
<b>Net current assets</b>		<u>423,840</u>	<u>404,531</u>
<b>Net assets</b>		<u>1,142,983</u>	<u>1,146,493</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		225,424	229,015
<b>Unrestricted income funds</b>			
Unrestricted funds		917,559	917,478
<b>Total funds</b>	18	<u>1,142,983</u>	<u>1,146,493</u>

The financial statements on pages 6 to 16 were approved by the trustees, and authorised for issue on 31/1/22 and signed on their behalf by:



.....  
Mr Mohammad Habib ur Rahman  
Trustee

## The Markazi Jamiat Ahl-e-Hadith Great Britain

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

#### 1 Accounting policies

##### **Statement of compliance**

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 Charities Act 2011.

##### **Basis of preparation**

The Markazi Jamiat Ahl-e-Hadith Great Britain meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Going concern**

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

##### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### **Donations and legacies**

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

##### **Grants receivable**

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

##### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### **Raising funds**

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

##### **Charitable activities**

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

##### **Grant provisions**

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

## **The Markazi Jamiat Ahl-e-Hadith Great Britain**

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

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Land & Building: 50 Years  
Fixtures & Fittings: 15 Years

#### **Investment properties**

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## The Markazi Jamiat Ahl-e-Hadith Great Britain

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

#### Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### Pensions and other post retirement obligations

The charity operates a defined benefit pension scheme. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

#### 2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and legacies;				
Donations	30,949	-	30,949	14,596
Grants, including capital grants;				
Grants from other charities	-	32,725	32,725	-
	30,949	32,725	63,674	14,596

#### 3 Income from other trading activities

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Islamic Judiciary Board	32,707	32,707	12,920
Sirat-e-Mustaqeem	915	915	8,195
	33,622	33,622	21,115

#### 4 Investment income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Income from rents	5,280	5,280	15,360

**The Markazi Jamiat Ahl-e-Hadith Great Britain**

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

**5 Expenditure on raising funds**

	<b>Direct costs</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
Costs of trading activities	7,641	7,641	23,917
Other expenditure	10,655	10,655	10,645
	<u>18,296</u>	<u>18,296</u>	<u>34,562</u>

## The Markazi Jamiat Ahl-e-Hadith Great Britain

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

#### 6 Expenditure on charitable activities

	Activity undertaken directly £	Grant funding of activity £	Total 2021 £	Total 2020 £
Events/Conferences/Seminars	10,832	-	10,832	45,002
Depreciation	22,819	-	22,819	19,919
Wages and salaries	12,657	-	12,657	11,822
Legal and professional fees	1,778	-	1,778	4,520
Independent examiner's fee	1,400	-	1,400	1,140
Subscriptions	1,305	-	1,305	1,012
Insurance	-	-	-	598
Bank charges	139	-	139	145
Travel & Subsistence	544	-	544	-
Paigham TV	-	36,316	36,316	-
	51,474	36,316	87,790	84,158

#### 7 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Independent examiner fees			
Examination of the financial statements	1,400	1,400	1,140
Legal and professional fees	1,778	1,778	4,520
	3,178	3,178	5,660

#### 8 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	22,819	19,919

#### 9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

#### 10 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
<b>Staff costs during the year were:</b>		
Wages and salaries	21,310	21,290
Social security costs	1,303	413
Pension costs	699	764
	23,312	22,467

## The Markazi Jamiat Ahl-e-Hadith Great Britain

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

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021 No	2020 No
Admin staff	2	2

No employee received emoluments of more than £60,000 during the year

#### 11 Independent examiner's remuneration

	2021 £	2020 £
Examination of the financial statements	1,400	1,140

## The Markazi Jamiat Ahl-e-Hadith Great Britain

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

#### 12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 April 2020 (Restated)	346,173	238,438	584,611
At 31 March 2021	346,173	238,438	584,611
<b>Depreciation</b>			
At 1 April 2020	83,070	49,579	132,649
Charge for the year	6,923	15,896	22,819
At 31 March 2021	89,993	65,475	155,468
<b>Net book value</b>			
At 31 March 2021	256,180	172,963	429,143
At 31 March 2020 (Restated)	263,103	188,859	451,962

#### 14 Fixed asset investments

	2021 £	2020 £
Investment properties	290,000	290,000

#### Investment properties

	Investment properties £
<b>Cost or Valuation</b>	
At 1 April 2020	290,000
<b>Provision</b>	
At 31 March 2021	-
<b>Net book value</b>	
At 31 March 2021	290,000
At 31 March 2020	290,000

There has been no valuation of investment property by an independent valuer.

#### 15 Debtors

	2021 £	2020 £ (restated)
Trade debtors	93,000	93,000



## The Markazi Jamiat Ahl-e-Hadith Great Britain

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

#### 16 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	339,965	312,671

#### 17 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	6,585	-
Accruals	2,540	1,140
	9,125	1,140

#### 18 Funds

	(Restated) Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>				
<i>General</i>				
General Fund	917,478	69,851	(69,770)	917,559
<b>Restricted funds</b>				
Dar ul Uloom Fund	80,925	-	-	80,925
Sirat e Mustaqeem (Property)	148,090	-	-	148,090
Paigham TV	-	32,725	(36,316)	(3,591)
<b>Total restricted funds</b>	229,015	32,725	(36,316)	225,424
<b>Total funds</b>	1,146,493	102,576	(106,086)	1,142,983

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	(Restated) Balance at 31 March 2020 £
<b>Unrestricted funds</b>				
<i>General</i>				
General Fund	985,127	51,071	(118,720)	917,478
<b>Restricted funds</b>				
Dar ul Uloom Fund	80,925	-	-	80,925
Sirat e Mustaqeem (Property)	148,090	-	-	148,090
<b>Total restricted funds</b>	229,015	-	-	229,015
<b>Total funds</b>	1,214,142	51,071	(118,720)	1,146,493

## The Markazi Jamiat Ahl-e-Hadith Great Britain

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

#### 19 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds 2021 £
Tangible fixed assets	429,143	-	429,143
Fixed asset investments	290,000	-	290,000
Current assets	207,541	225,424	432,965
Current liabilities	(9,125)	-	(9,125)
Total net assets	917,559	225,424	1,142,983
	Unrestricted funds General £	Restricted funds £	Total funds 2020 £
Tangible fixed assets	451,962	-	451,962
Fixed asset investments	290,000	-	290,000
Current assets	176,656	229,015	405,671
Current liabilities	(1,140)	-	(1,140)
Total net assets	917,478	229,015	1,146,493

#### 20 Prior year adjustment

The charity purchased land valued at £145,000 in the prior period accounts. This was incorrectly disclosed in debtors.