Report of the Trustees and
Unaudited Financial Statements for the Year Ended 30 September 2016
for
Markaz El Tathgheef El Eslami

Merali’s Chartered Accountants
Scottish Provident House
76-80 College Road
Harrow
Middlesex
HA1 1BQ
**Markaz El Tathgeef El Eslami**

**Contents of the Financial Statements**
for the Year Ended 30 September 2016

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</table>
Report of the Trustees
for the Year Ended 30 September 2016

The trustees present their report with the financial statements of the charity for the year ended 30 September 2016. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP), Accounting and Reporting by Charities, the Charities Act 2011 and Financial Reporting Standards for Smaller Entities (effective April 2008).

REFERENCE AND ADMINISTRATIVE DETAILS
Registered Charity number
328364

Principal address
120 Cricklewood Lane
London
NW2 2DP

Trustees
H Raza - resigned 27.4.2016
A Borhan
Sayed M Al Alawi
Sayed J Shirazi
M Mahdi - resigned 16.5.2016
R M Zadeh - appointed 16.5.2016

Independent examiner
Merali's Chartered Accountants
Scottish Provident House
76-80 College Road
Harrow
Middlesex
HA1 1BQ

STRUCTURE, GOVERNANCE AND MANAGEMENT
Governing document
The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

The charity was registered with the Charities Commission on 17th October 1989 and is governed by the Trust Deed dated 30th September 1988.

Recruitment and appointment of new trustees
Trustees are appointed by resolution of the existing trustees. Whenever a new trustee is so appointed a memorandum of his/her appointment shall be prepared.

Organisational structure
The charity trustees are responsible for the general control and management of the charity. The trustees give their time freely and receive no remuneration or other financial benefits. The trustees meet together as a body and are responsible for all decisions taken in relation to the affairs of Markaz El Tathgheef El Eslami in the United Kingdom.

Risk management
The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees examine the major strategic, business and operational risks, which the charity faces regularly. The charity actively reviews the major risks, which it faces on a regular basis and believes that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks faced by the Charity and confirm that they have established systems to mitigate the significant risks.
OBJECTIVES AND ACTIVITIES
Objectives and aims
The principal activity of the Charity is to promote the advancement of the Islamic religion by all or any of the following means:-
Providing religious centres for worship of the Islamic religion,
Providing free booklets and supplements to followers,
Advancement of education of the public concerning the Islamic religious culture,
Provision in interests of social welfare of facilities by reason of their youth or age or infirmity or social and economic circumstances.

The charity is dependant on voluntary workers to fulfil the doctrine and practises of the Islamic Religion and its jurisprudence.

Strategies and Significant Activities
The charity operates religious centre at 120 Cricklewood Lane, London, NW2 2DP, the trustees of the Charity hold the full and legal beneficial interest in the property. The safe custody of the property is governed by the Trust Deed.

The centre is open to all general public as a place of worship for the followers of Islamic faith.

The religious centre organises various religious activities and functions and provides information to raise awareness of the Islamic faith.

Grantmaking
The charity administered collection and distribution of various religious dues like Khums, Zakat, Sadaqat in accordance with the teachings of Islamic faith. The charity collects general donations and are distributed in pursuance of the charity's objectives to support education and training, relief of poverty and various religious activities.

Volunteers
We encourage all members of our centres to be involved in voluntary activities and to share their skills with others. Volunteers are not paid any salaries, but only reimbursement of reasonable out of pocket expenses such as travel costs. All those volunteers working with children or other vulnerable groups are CRB checked.

ACHIEVEMENT AND PERFORMANCE
How our activities deliver public benefit
A wide range of activities are carried out in pursuance of the charitable aims and objectives. The trustees consider that these activities, summarised below, provide benefit to the wider community.
ACHIEVEMENT AND PERFORMANCE

Religious activities
Our Centre is open for prayers, worship and for the activities associated with our faith. The centre is open for the wider public.

During the year under review, we offer a range of religious services and activities including:

Prayers
Our Centre is available daily for prayers to all general public of Islamic faith. We have hundreds of people attending our mosque for prayers.

Festivals
The Centre celebrate Ramadan and serve food for those attending our Centre who wish to break their fasting with the visitors as group. We also perform special functions and serve food for the annual commemoration of the martyrdom of the grand son of the prophet Muhammad, Imam Hussein, for total period of 2 months during the months of Muharram and Safar.

The Mosque celebrate the birth and commemorate the martyrdom of all Imams of Shia Jaffari faith during the year. We hold weekly gathering in the Centre for worship, prayers and recitation of supplications every Thursday evening.

Quran classes
Memorisation and recitation of the Quran are considered important elements of religious education and training. We continue to provide this facility for young people in the mosque.

Religious dues
It is part of our faith that we should offer Zakat, Khums, and Sadaqat. They are collected in accordance with the teaching of Islam and distributed for a number of specific purposes including to help others and to further the teachings of Islam.

Community activities

Halls and rooms
Our hall and rooms are available to use by local groups, organisations and communities.

FINANCIAL REVIEW

Reserves policy
Restricted funds reserve are held to be used within certain restrictions of the relevant funds.
The Charity’s policy on general unrestricted fund is to hold enough funds to meet at least 6 months direct and operating cost of the Islamic centre and head office.

In calculating the Charity’s general reserves the trustees have deducted from the total unrestricted fund the other tangible fixed assets as shown in the accounts and any designated funds. This leaves free reserve at 30/09/2016 of £366,727. We therefore have greater reserves than required and plan to spend it on more charitable activities and to respond to varying applications of grants and pledges.

Principal funding sources
The Charity’s main sources of income are collections of donations and religious dues from general public. They are collected from general public visiting its Centre. During the year the Charity received total donations of £76,881. This includes £26,810 received from the public to support the charity for the losses suffered as a result of the liquidation of Ahlebait Ltd.

Approved by order of the board of trustees on 10 March 2017 and signed on its behalf by:

Z A Hussein - Trustee
Independent Examiner’s Report to the Trustees of
Markaz El Tathgheef El Eslami

I report on the accounts for the year ended 30 September 2016 set out on pages five to nine.

Respective responsibilities of trustees and examiner
The charity's trustees are responsible for the preparation of the accounts. The charity's 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 required.

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 the independent examiner's report
My examination was carried out in accordance with the 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 you as 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 statements 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 2011 Act; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 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.

MPK Merali FCA
Merali's Chartered Accountants
Scottish Provident House
76-80 College Road
Harrow
Middlesex
HA1 1BQ

10 March 2017
Markaz El Tathgheef El Eslami

Statement of Financial Activities
for the Year Ended 30 September 2016

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>30/9/16</th>
<th>30/9/15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Unrestricted</td>
<td>Restricted</td>
</tr>
<tr>
<td></td>
<td></td>
<td>fund</td>
<td>funds</td>
</tr>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

### INCOMING RESOURCES

Incoming resources from generated funds
Voluntary income

<table>
<thead>
<tr>
<th>Voluntary income</th>
<th>£</th>
<th>£</th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>76,881</td>
<td>-</td>
<td>76,881</td>
<td>154,529</td>
</tr>
</tbody>
</table>

### RESOURCES EXPENDED

Costs of generating funds
Costs of generating voluntary income

<table>
<thead>
<tr>
<th>Costs of generating voluntary income</th>
<th>£</th>
<th>£</th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,580</td>
</tr>
</tbody>
</table>

Charitable activities
Religious centre
Governance costs

<table>
<thead>
<tr>
<th>Religious centre</th>
<th>£</th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>57,134</td>
<td>57,134</td>
<td>-</td>
<td>48,794</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Governance costs</th>
<th>£</th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>14,844</td>
<td>14,844</td>
<td>-</td>
<td>5,366</td>
</tr>
</tbody>
</table>

Total resources expended

<table>
<thead>
<tr>
<th>Total resources expended</th>
<th>£</th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>71,978</td>
<td>71,978</td>
<td>-</td>
<td>56,740</td>
</tr>
</tbody>
</table>

### NET INCOMING RESOURCES BEFORE TRANSFERS

<table>
<thead>
<tr>
<th>NET INCOMING RESOURCES BEFORE TRANSFERS</th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,903</td>
<td>-</td>
</tr>
</tbody>
</table>

Gross transfers between funds

<table>
<thead>
<tr>
<th>Gross transfers between funds</th>
<th>£</th>
<th>(£)</th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>2,482</td>
<td>(2,482)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Net incoming/(outgoing) resources

<table>
<thead>
<tr>
<th>Net incoming/(outgoing) resources</th>
<th>£</th>
<th>(£)</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,385</td>
<td>2,482</td>
<td>(2,482)</td>
<td>4,903</td>
</tr>
</tbody>
</table>

### RECONCILIATION OF FUNDS

Total funds brought forward

<table>
<thead>
<tr>
<th>Total funds brought forward</th>
<th>£</th>
<th>£</th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>793,215</td>
<td>28,148</td>
<td>821,363</td>
<td>723,574</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL FUNDS CARRIED FORWARD

<table>
<thead>
<tr>
<th>TOTAL FUNDS CARRIED FORWARD</th>
<th>£</th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>800,600</td>
<td>25,666</td>
<td>826,266</td>
<td>821,363</td>
</tr>
</tbody>
</table>

The notes form part of these financial statements
# Balance Sheet
## At 30 September 2016

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted fund</th>
<th>Restricted funds</th>
<th>30/9/16 Total funds</th>
<th>30/9/15 Total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Notes</strong></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>5</td>
<td>428,451</td>
<td>428,451</td>
<td>431,360</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank</td>
<td>388,195</td>
<td>25,666</td>
<td>413,861</td>
<td>402,064</td>
</tr>
<tr>
<td><strong>CREDITORS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts falling due within one year</td>
<td>6</td>
<td>(16,046)</td>
<td>(16,046)</td>
<td>(12,061)</td>
</tr>
<tr>
<td><strong>NET CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td>397,815</td>
<td>390,003</td>
</tr>
<tr>
<td></td>
<td>372,149</td>
<td>25,666</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS LESS CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td>826,266</td>
<td>821,363</td>
</tr>
<tr>
<td>800,600</td>
<td>25,666</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
<td>826,266</td>
<td>821,363</td>
</tr>
<tr>
<td>800,600</td>
<td>25,666</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FUNDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td>800,600</td>
<td></td>
<td>793,215</td>
<td></td>
</tr>
<tr>
<td>Restricted funds</td>
<td>25,666</td>
<td></td>
<td>28,148</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL FUNDS</strong></td>
<td></td>
<td></td>
<td>826,266</td>
<td>821,363</td>
</tr>
</tbody>
</table>

The financial statements were approved by the Board of Trustees on 10 March 2017 and were signed on its behalf by:

Z A Hussein -Trustee
1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Charities Act 2011 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources
Recognition of income:
All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Incoming resources with related expenditure:
Where incoming have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SoFA.

Grants and donations:
Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources.

Tax reclaims on donations and gifts:
Incoming resources from tax reclaims are included in the SoFA at the same time as the gift to which they relate.

Volunteer help:
The value of any voluntary help received if any is not included in the accounts but is described in the trustees' annual report.

Investment income:
This is included in the accounts when receivable.

Resources expended
Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

<table>
<thead>
<tr>
<th>Asset</th>
<th>Depreciation Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold property</td>
<td>Straight line over 50 years</td>
</tr>
<tr>
<td>Fixtures and fittings</td>
<td>25% on reducing balance</td>
</tr>
</tbody>
</table>

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

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2. VOLUNTARY INCOME

This includes an amount of £26,810 of donations received from the public to help alleviate the loss suffered as a result of the loan write off to Ahlebait Ltd in the year 2013.
3. **TRUSTEES’ REMUNERATION AND BENEFITS**

There were no trustees’ remuneration or other benefits for the year ended 30 September 2016 nor for the year ended 30 September 2015.

**Trustees’ expenses**

There were no trustees’ expenses paid for the year ended 30 September 2016 nor for the year ended 30 September 2015.

4. **STAFF COSTS**

<table>
<thead>
<tr>
<th></th>
<th>30/9/16</th>
<th>30/9/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>33,693</td>
<td>27,039</td>
</tr>
</tbody>
</table>

The average monthly number of employees during the year was as follows:

<table>
<thead>
<tr>
<th></th>
<th>30/9/16</th>
<th>30/9/15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
<td>4</td>
</tr>
</tbody>
</table>

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

5. **TANGIBLE FIXED ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>Freehold property £</th>
<th>Fixtures and fittings £</th>
<th>Totals £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COST</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 October 2015 and 30 September 2016</td>
<td>470,905</td>
<td>19,278</td>
<td>490,183</td>
</tr>
<tr>
<td><strong>DEPRECIATION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 October 2015</td>
<td>41,580</td>
<td>17,243</td>
<td>58,823</td>
</tr>
<tr>
<td>Charge for year</td>
<td>2,400</td>
<td>509</td>
<td>2,909</td>
</tr>
<tr>
<td>At 30 September 2016</td>
<td>43,980</td>
<td>17,752</td>
<td>61,732</td>
</tr>
<tr>
<td><strong>NET BOOK VALUE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 30 September 2016</td>
<td>426,925</td>
<td>1,526</td>
<td>428,451</td>
</tr>
<tr>
<td>At 30 September 2015</td>
<td>429,325</td>
<td>2,035</td>
<td>431,360</td>
</tr>
</tbody>
</table>

The above value of freehold property comprises of 25% building and 75% land.

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

<table>
<thead>
<tr>
<th></th>
<th>30/9/16</th>
<th>30/9/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxation and social security</td>
<td>(33)</td>
<td>-</td>
</tr>
<tr>
<td>Other creditors</td>
<td>16,079</td>
<td>12,061</td>
</tr>
<tr>
<td></td>
<td>16,046</td>
<td>12,061</td>
</tr>
</tbody>
</table>
7. MOVEMENT IN FUNDS

<table>
<thead>
<tr>
<th></th>
<th>At 1/10/15</th>
<th>Net movement in funds</th>
<th>Transfers between funds</th>
<th>At 30/9/16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General fund</td>
<td>793,215</td>
<td>4,903</td>
<td>2,482</td>
<td>800,600</td>
</tr>
<tr>
<td><strong>Restricted funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renovation Funds</td>
<td>25,666</td>
<td>-</td>
<td>-</td>
<td>25,666</td>
</tr>
<tr>
<td>Khums</td>
<td>2,482</td>
<td>-</td>
<td>(2,482)</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL FUNDS</strong></td>
<td>821,363</td>
<td>4,903</td>
<td>-</td>
<td>826,266</td>
</tr>
</tbody>
</table>

Net movement in funds, included in the above are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Incoming resources</th>
<th>Resources expended</th>
<th>Movement in funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted funds</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General fund</td>
<td>76,881</td>
<td>(71,978)</td>
<td>4,903</td>
</tr>
<tr>
<td><strong>TOTAL FUNDS</strong></td>
<td>76,881</td>
<td>(71,978)</td>
<td>4,903</td>
</tr>
</tbody>
</table>

8. GOING CONCERN

The ongoing investigation into various matters of the charity remains open. Nevertheless, the trustees strongly believe that the charity remains a going concern for the foreseeable future because they have fully responded and cooperated with the Charity Commission. There is currently no further correspondence from Charity Commission to contradict with the assumption of going concern.

Despite the disposal of the main functional property after the year end, the charity continued to operate and run its programmes and functions in a hired venue in local area.

9. POST BALANCE SHEET EVENT

The sale of freehold property at 120 Cricklewood Lane was completed after the year end on 27 January 2017 for £4,508,000.
### Detailed Statement of Financial Activities for the Year Ended 30 September 2016

<table>
<thead>
<tr>
<th></th>
<th>30/9/16</th>
<th>30/9/15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

#### INCOMING RESOURCES

**Voluntary income**
- Donations: 73,941<br>- Khums: 2,940

<table>
<thead>
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**Total incoming resources**: 76,881

#### RESOURCES EXPENDED

**Costs of generating voluntary income**
- Event costs: - 2,580

**Charitable activities**
- Wages: 33,693 27,039
- Rates and water: 9,719 8,777
- Licences & insurance: 3,114 2,942
- Light and heat: 5,065 4,105
- Telephone: 772 954
- Fire & security: 571 613
- Cleaning: 840 840
- Sundry expenses: 451 446
- Freehold property: 2,400 2,400
- Fixtures and fittings: 509 678

**Total resources expended**: 71,978

**Governance costs**
- Accountancy: 4,020 500
- Bank charges: 24 -
- Legal and Professional fees: 10,800 4,866

**Total resources expended**: 14,844 5,366

**Net income**: 4,903 97,789

This page does not form part of the statutory financial statements