

REGISTERED COMPANY NUMBER: 02051424 (England and Wales)
REGISTERED CHARITY NUMBER: 295197

Report of the Trustees and
Financial Statements for the Year Ended 30 June 2021
for
Al-Shirkatul Islamiyyah
(a company limited by guarantee)

Nasir Mahmud FCA
Chartered Accountant
Falcon House
257 Burlington Road
New Malden
Surrey
KT3 4NE

Al-Shirkatul Islamiyyah
(a company limited by guarantee)

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for the Year Ended 30 June 2021

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Al-Shirkatul Islamiyyah
(a company limited by guarantee)

Reference And Administrative Details
for the Year Ended 30 June 2021

Registered Company number
02051424 (England and Wales)

Registered Charity number
295197

Registered office
22 Dear Park Road
London
SW19 3TL

Trustees
A B Arshad Chairman
M U Shams
M M Ahmad Secretary
R A Hayat
N A Qamar
A M Tahir
A H Shahid
M Ahmad
F A K Dahri

Company Secretary
M M Ahmad

Auditor
Nasir Mahmud FCA
Chartered Accountant
Falcon House
257 Burlington Road
New Malden
Surrey
KT3 4NE

The trustees present their strategic report for the year ended 30 June 2021.

Review of the Business

The charity continues to strengthen its free to air transmission and publications divisions by exploring new avenues and optimizing on current viewer and reader preferences. Trustees always seek expert technical opinion on available media platforms and how the charity can grow with latest trends.

Principal Risks and Uncertainties

Since the core objectives of the charity are not commercially driven therefore, it is free from commercial and market risks. However, the trustees continue to pro-actively review vendor dependencies and mitigate potential risks by eliminating single point of failure in its supply chain.

The trustees actively review the major risks that the Charity faces on a regular basis and believe that maintaining reserves at current levels, combined with periodic 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 risks.

Future Projects

The trustees continue to explore new ways to increase efficiency and effectiveness of the production of programs and printing and publication of literature. The charity has diversified its production houses and expanded its portfolio of its printers for publications and periodicals to optimize cost and supply chain. A process of continuous review and deployment is embedded in our business plan to identify the most cost-effective means of operational activities.

Approved by order of the board of trustees on March 25th 2022 and signed on its behalf by.



A B Arshad
Chairman

Report of the Trustees
for the Year Ended 30 June 2021

The trustees, who are also directors of the charity for the purpose of Companies Act 2006, present their report and the financial statements for the year ended 30 June 2021. The trustees have adopted the provisions of 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)

OBJECTIVES and ACTIVITIES

Objectives and Aims

The Charity's objects are to propagate Islam as interpreted in Ahmadiyyat, i.e., Islam as expounded by the founder of the Ahmadiyya Movement and his successors, and to advance education in the study of religion.

Public benefit reporting

The key objectives of the charity were attained during the year by continued free to air transmission service to the general public across many parts of the world. Moreover, books and subscription of educational magazines continued to be available at nominal prices for the members of the community and general public at large.

The trustees state that they have complied with section 4 of the Charities Act 2006 with regards to public benefit guidance published by the commission.

Grant making policy

The Charity does not make any grants and as such, no policy is in place.

Employment policy

The Charity believes in the philosophy of an equal opportunities' employer. However, until now, it is served entirely by dedicated volunteers. The trustees appreciate this and wish to thank everyone involved who have given their valuable time and effort in furthering the Charity's objects.

ACHIEVEMENTS AND PERFORMANCE

Charitable Activities

The global transmission of programs was further strengthened during the year with strong and expanded satellite coverage to enhance quality and un-interrupted service to the viewers across the globe. The trustees appreciated that increase in the production of new programs, which were contributed by various countries during the year. Live streaming on the internet continue to excel in the number of viewers. Internet television was further enhanced during the year to facilitate viewers on the move. The charity has its own website.

The charity continues to focus on production of new programs and publication of new titles in accordance with the objects of the charity but is dependent on un-interrupted service by the satellite networks for transmission and efficient turnaround by the printers.

The publication and sale of books, journals and magazines continue to expand as subscriptions increase and literature is translated into new languages.

Income from core trading activities decreased by 7% during the year. This was due to reduced activity owing to covid-19 restrictions. The turnover of the Charity from publications and periodicals was also slightly impacted due to reduced operations and demand from customers due to Covid lockdowns in many countries. Sponsorship fees are largely dependent on broadcasting mix of programs of each region. Direct cost consequently decreased by a 14% from last year owing to reduction in variable costs due to reduced activity.

Administrative costs increased by 8% during the year in comparison with prior year mainly due to one off costs in professional charges.

FINANCIAL REVIEW

Financial Position

The charity delivered a net profit of £231,053 during the year. The management periodically reviews quarterly financial statements of the charity for budgetary compliance and its expenditure review in support of charity objectives. The management constantly reviews the funding position from media sponsorship and sale of publications to ensure it is able to achieve its delivery of service in media and publication.

Report of the Trustees
for the Year Ended 30 June 2021

Reserves Policy

It is the Charity's policy to have working capital requirement of approximately 9 months in the reserves. The present level of funding is adequate to support the continuation of the Charity's operations, and the trustees consider the financial position of the charity to be satisfactory.

Investment powers, policy and performance

The trustees are empowered by the Memorandum and Articles of Association, to decide on the courses of action that they consider appropriate to further the Charity's objects.

Going Concern

The trustees expect the charity to continue operating as normal for the foreseeable future, able to meet its obligations as they fall due, and that they have no plans to close the charity or to significantly curtail its operations.

Plans for future periods

The trustees continue to explore new ways to increase efficiency and effectiveness of the production of programs and printing and publication of literature. A few projects are under progress to identify the most cost-effective means of operational activities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance and internal control

The Charity is constituted as a company limited by guarantee and is therefore governed by its Memorandum and Articles of Association. New trustees are appointed in accordance with its Articles of Association. The charity provides continued opportunities of training of all trustees both internal and external. The Charity is organized so that the trustees meet regularly to manage its affairs. The trustees have delegated the management of day-to-day affairs to the Chairman of the Board.

The trustees actively review the major risks, which the Charity faces on a regular basis, and believe that maintaining reserves at current levels, combined with periodic 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 significant risks.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practices.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the situation of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

1. select suitable accounting policies and apply them consistently, Observe the methods and principles in the charity SORP;
2. Make judgments and estimates that are reasonable and prudent; and
3. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

There is no relevant audit information of which the charitable company's auditor is unaware; and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of any relevant audit information and to establish that the auditor is aware of that information.

Al-Shirkatul Islamiyyah
(a company limited by guarantee)

Report of the Trustees
for the Year Ended 30 June 2021

AUDITOR

A resolution proposing that Nair Mahmud FCA be reappointed as auditor of the charity will be put to the Annual General Meeting. Approved by order of the board of trustees on March 25th 2022 and signed on its behalf by;

A handwritten signature in black ink, consisting of a stylized 'A' and 'B' followed by a long horizontal stroke.

A B Arshad
Chairman

Opinion

I have audited the financial statements of Al-Shirkatul Islamiyyah (a company limited by guarantee) (the 'charitable company') for the year ended 30 June 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In my opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as of 30 June 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. My responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of my report. I am independent of the charitable company in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the FRC's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and my Report of the Independent Auditor thereon.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditor to the Members of
Al-Shirkatul Islamiyyah
(a company limited by guarantee)

Matters on which I am required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, I have not identified material misstatements in the Report of the Trustees.

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by me; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- I have not received all the information and explanations I require for my audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

My responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditor that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of my Report of the Independent Auditor.

Use of my report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. My audit work has been undertaken so that I might state to the charitable company's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for my audit work, for this report, or for the opinions I have formed.

Nasir Mahmud FCA (Senior Statutory auditor)



For and on behalf of

Nasir Mahmud FCA
Chartered Accountant
Falcon House
257 Burlington Road
New Malden
Surrey
KT3 4NE

Date: 25 March 2022

Al-Shirkatul Islamiyyah
(a company limited by guarantee)

Statement of Financial Activities
for the Year Ended 30 June 2021

| | Notes | Unrestricted fund £ | Restricted fund £ | 30.6.21 Total funds £ | 30.6.20 Total funds £ |
|------------------------------------|-------|---------------------------|-------------------------|--------------------------------|--------------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 2 | 20,609 | - | 20,609 | 9,541 |
| Other trading activities | 3 | 6,045,539 | - | 6,045,539 | 6,548,380 |
| Investment income | 4 | 22,039 | - | 22,039 | 23,431 |
| Other income | | <u>2,205</u> | <u>-</u> | <u>2,205</u> | <u>17,756</u> |
| Total | | 6,090,392 | - | 6,090,392 | 6,599,108 |
| EXPENDITURE ON | | | | | |
| Raising funds | 5 | 4,453,384 | - | 4,453,384 | 5,201,517 |
| Charitable activities | 6 | | | | |
| Charitable activities | | 1,405,955 | - | 1,405,955 | 1,290,061 |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total | | 5,859,339 | - | 5,859,339 | 6,491,578 |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| NET INCOME | | 231,053 | - | 231,053 | 107,530 |
| Transfer between funds | | | | | |
| | | <u>92,233</u> | <u>(92,233)</u> | <u>-</u> | <u>-</u> |
| | | 323,286 | (92,233) | 231,053 | 107,530 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 7,301,839 | 772,835 | 8,074,674 | 7,967,144 |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL FUNDS CARRIED FORWARD | | <u>7,625,125</u> | <u>680,602</u> | <u>8,305,727</u> | <u>8,074,674</u> |

Al-Shirkatul Islamiyyah
(a company limited by guarantee)

Balance Sheet
30 June 2021

| | Notes | 30.6.21 Total funds £ | 30.6.20 Total funds £ |
|--|-------|--------------------------------|--------------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 10 | 6,881,480 | 6,977,475 |
| CURRENT ASSETS | | | |
| Stocks | 11 | 1,321,458 | 1,233,386 |
| Debtors | 12 | 1,931,053 | 2,407,077 |
| Cash at bank and in hand | | 322,047 | 326,033 |
| | | 3,574,558 | 3,966,496 |
| CREDITORS | | | |
| Amounts falling due within one year | 13 | (763,268) | (1,403,491) |
| NET CURRENT ASSETS | | 2,811,290 | 2,563,005 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 9,692,770 | 9,540,480 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 14 | (1,387,043) | (1,465,806) |
| NET ASSETS | | 8,305,727 | 8,074,674 |
| FUNDS | 16 | | |
| Unrestricted funds | | 7,532,892 | 7,301,839 |
| Restricted funds | | 772,835 | 772,835 |
| TOTAL FUNDS | | 8,305,727 | 8,074,674 |

The financial statements were approved by the Board of Trustees and authorised for issue on 25 March 2022 and were signed on its behalf by:



Mirza Mahmood Ahmad
Trustee

Al-Shirkatul Islamiyyah
(a company limited by guarantee)

Cash Flow Statement
for the Year Ended 30 June 2021

| | Notes | 30.6.21 £ | 30.6.20 £ |
|---|-------|------------------|--------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 759,082 | 1,209,002 |
| Interest paid | | <u>(28,651)</u> | <u>(32,389)</u> |
| Net cash provided by operating activities | | <u>730,431</u> | <u>1,176,613</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (659,863) | (1,875,365) |
| Loan proceeds | | - | 827,386 |
| Loan repayment | | (78,763) | - |
| Interest received | | <u>39</u> | <u>1,431</u> |
| Net cash used in investing activities | | <u>(738,587)</u> | <u>(1,044,548)</u> |
| Change in cash and cash equivalents in the reporting period | | (8,156) | 132,065 |
| Cash and cash equivalents at the beginning of the reporting period | 2 | <u>323,963</u> | <u>191,898</u> |
| Cash and cash equivalents at the end of the reporting period | 2 | <u>315,807</u> | <u>323,963</u> |

Notes to the Cash Flow Statement
for the Year Ended 30 June 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 30.6.21 £ | 30.6.20 £ |
|--|-----------------------|-------------------------|
| Net income for the reporting period (as per the Statement of Financial Activities) | 231,053 | 107,530 |
| Adjustments for: | | |
| Depreciation charges | 755,775 | 755,073 |
| Loss on disposal of fixed assets | 84 | - |
| Interest received | (39) | (1,431) |
| Interest paid | 28,651 | 32,389 |
| Increase in stocks | (88,072) | (226,546) |
| Decrease/(increase) in debtors | 476,024 | (112,818) |
| Increase/(decrease) in creditors | (644,393) | 654,805 |
| Net cash provided by operations | <u>759,082</u> | <u>1,209,002</u> |

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 30.6.21 £ | 30.6.20 £ |
|--|-----------------------|-----------------------|
| Cash in hand | 25,434 | 24,788 |
| Notice deposits (less than 3 months) | 296,613 | 301,245 |
| Overdrafts included in bank loans and overdrafts falling due within one year | (6,240) | (2,070) |
| Total cash and cash equivalents | <u>315,807</u> | <u>323,963</u> |

3. ANALYSIS OF CHANGES IN NET DEBT

| | At 1.7.20 £ | Cash flow £ | At 30.6.21 £ |
|---------------------------------|---------------------------|----------------------|---------------------------|
| Net cash | | | |
| Cash at bank and in hand | 326,033 | (3,986) | 322,047 |
| Bank overdraft | (2,070) | (4,170) | (6,240) |
| | <u>323,963</u> | <u>(8,156)</u> | <u>315,807</u> |
| Debt | | | |
| Debts falling due within 1 year | (103,730) | (1,387,043) | (1,490,773) |
| Debts falling due after 1 year | (1,465,806) | 1,465,806 | - |
| | <u>(1,569,536)</u> | <u>78,763</u> | <u>(1,490,773)</u> |
| Total | <u>(1,245,573)</u> | <u>70,607</u> | <u>(1,174,966)</u> |

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. 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.

| | |
|-----------------------|----------------------------------|
| Freehold property | - Straight line over fifty years |
| Long leasehold | - Straight line over fifty years |
| Plant and machinery | - 20% on reducing balance |
| Fixtures and fittings | - 20% on reducing balance |
| Motor vehicles | - 33% on reducing balance |
| Computer equipment | - 25% on reducing balance |

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation 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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. DONATIONS AND LEGACIES

| | 30.6.21 | 30.6.20 |
|-----------|---------------|--------------|
| | £ | £ |
| Donations | <u>20,609</u> | <u>9,541</u> |
| | <u>20,609</u> | <u>9,541</u> |

3. OTHER TRADING ACTIVITIES

| | 30.6.21 | 30.6.20 |
|------------------------------|------------------|------------------|
| | £ | £ |
| Media and publication income | <u>6,045,539</u> | <u>6,548,380</u> |

4. INVESTMENT INCOME

| | 30.6.21 | 30.6.20 |
|--------------------------|---------------|---------------|
| | £ | £ |
| Rents received | 22,000 | 22,000 |
| Deposit account interest | <u>39</u> | <u>1,431</u> |
| | <u>22,039</u> | <u>23,431</u> |

5. RAISING FUNDS

Raising donations and legacies

| | 30.6.21 | 30.6.20 |
|-------------------------|------------------|------------------|
| | £ | £ |
| Telephone | 19,071 | 14,420 |
| Postage and stationery | 31,542 | 27,192 |
| Sundries | 4,542 | 18,952 |
| Opening stock | 1,298,694 | 1,069,807 |
| Purchases | 1,049 | 23,507 |
| Direct costs | 3,615,249 | 3,906,262 |
| Closing stock | (1,369,066) | (1,298,694) |
| Repairs and maintenance | 75,148 | 109,049 |
| Motor expenses | 3,716 | 11,803 |
| Travelling expenses | 31,865 | 68,278 |
| Computer costs | 589,024 | 651,421 |
| Refreshments (Ziafat) | 6,633 | 11,791 |
| Equipments | 106,183 | 134,490 |
| Equipment hire | 39,498 | 451,743 |
| Loss on sale of assets | <u>84</u> | <u>-</u> |
| | <u>4,453,232</u> | <u>5,200,021</u> |

Other trading activities

| | 30.6.21 | 30.6.20 |
|-------------------|------------------|------------------|
| | £ | £ |
| Bad debts | <u>152</u> | <u>1,496</u> |
| Aggregate amounts | <u>4,453,384</u> | <u>5,201,517</u> |

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

6. DIRECT COST

| | 30.6.21 | 30.6.20 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Charitable activities | <u>1,405,955</u> | <u>1,290,061</u> |

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 30.6.21 | 30.6.20 |
|-------------------------------------|-----------|----------|
| | £ | £ |
| Depreciation - owned assets | 755,775 | 755,073 |
| Deficit on disposal of fixed assets | <u>84</u> | <u>-</u> |

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2021 nor for the year ended 30 June 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2021 nor for the year ended 30 June 2020.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Restricted fund £ | Total funds £ |
|------------------------------------|---------------------------|-------------------------|-------------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 9,541 | - | 9,541 |
| Other trading activities | 6,548,380 | - | 6,548,380 |
| Investment income | 23,431 | - | 23,431 |
| Other income | <u>17,756</u> | <u>-</u> | <u>17,756</u> |
| Total | 6,599,108 | - | 6,599,108 |
| EXPENDITURE ON | | | |
| Raising funds | 5,201,517 | - | 5,201,517 |
| Charitable activities | | | |
| Charitable activities | <u>1,290,061</u> | <u>-</u> | <u>1,290,061</u> |
| Total | 6,491,578 | - | 6,491,578 |
| NET INCOME | 107,530 | - | 107,530 |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | 7,126,236 | 840,908 | 7,967,144 |
| TOTAL FUNDS CARRIED FORWARD | <u>7,233,766</u> | <u>840,908</u> | <u>8,074,674</u> |

Notes to the Financial Statements
for the Year Ended 30 June 2021

10. TANGIBLE FIXED ASSETS

| | Freehold property £ | Long leasehold £ | Plant and machinery £ |
|------------------------|---------------------------|------------------------|-----------------------------|
| COST | | | |
| At 1 July 2020 | 4,364,617 | 1,132,685 | 1,340,182 |
| Additions | - | - | - |
| Disposals | - | - | - |
| At 30 June 2021 | <u>4,364,617</u> | <u>1,132,685</u> | <u>1,340,182</u> |
| DEPRECIATION | | | |
| At 1 July 2020 | 512,165 | 100,967 | 1,303,939 |
| Charge for year | 68,073 | 22,653 | 7,249 |
| Eliminated on disposal | - | - | - |
| At 30 June 2021 | <u>580,238</u> | <u>123,620</u> | <u>1,311,188</u> |
| NET BOOK VALUE | | | |
| At 30 June 2021 | <u>3,784,379</u> | <u>1,009,065</u> | <u>28,994</u> |
| At 30 June 2020 | <u>3,852,452</u> | <u>1,031,718</u> | <u>36,243</u> |

| | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|------------------------|----------------------------------|------------------------|----------------------------|-------------------|
| COST | | | | |
| At 1 July 2020 | 1,226,388 | 102,290 | 6,264,985 | 14,431,147 |
| Additions | 57,478 | - | 602,385 | 659,863 |
| Disposals | - | (22,781) | - | (22,781) |
| At 30 June 2021 | <u>1,283,866</u> | <u>79,509</u> | <u>6,867,370</u> | <u>15,068,229</u> |
| DEPRECIATION | | | | |
| At 1 July 2020 | 822,697 | 81,941 | 4,631,963 | 7,453,672 |
| Charge for year | 92,233 | 6,715 | 558,852 | 755,775 |
| Eliminated on disposal | - | (22,698) | - | (22,698) |
| At 30 June 2021 | <u>914,930</u> | <u>65,958</u> | <u>5,190,815</u> | <u>8,186,749</u> |
| NET BOOK VALUE | | | | |
| At 30 June 2021 | <u>368,936</u> | <u>13,551</u> | <u>1,676,555</u> | <u>6,881,480</u> |
| At 30 June 2020 | <u>403,691</u> | <u>20,349</u> | <u>1,633,022</u> | <u>6,977,475</u> |

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

11. STOCKS

| | 30.6.21 | 30.6.20 |
|----------------|------------------|------------------|
| | £ | £ |
| Finished goods | <u>1,321,458</u> | <u>1,233,386</u> |

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30.6.21 | 30.6.20 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 862,373 | 932,274 |
| Other debtors | 409,607 | 424,963 |
| VAT | 132,217 | 510,961 |
| Prepayments and accrued income | <u>526,856</u> | <u>538,879</u> |
| | <u>1,931,053</u> | <u>2,407,077</u> |

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30.6.21 | 30.6.20 |
|---|----------------|------------------|
| | £ | £ |
| Bank loans and overdrafts (see note 15) | 109,970 | 105,800 |
| Trade creditors | 565,869 | 549,437 |
| Other creditors | 20,104 | 713,627 |
| Accrued expenses | <u>67,325</u> | <u>34,627</u> |
| | <u>763,268</u> | <u>1,403,491</u> |

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 30.6.21 | 30.6.20 |
|--------------------------|------------------|------------------|
| | £ | £ |
| Bank loans (see note 15) | <u>1,387,043</u> | <u>1,465,806</u> |

15. LOANS

An analysis of the maturity of loans is given below:

| | 30.6.21 | 30.6.20 |
|---|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year on demand: | | |
| Bank overdraft | 6,240 | 2,070 |
| Bank loans | <u>103,730</u> | <u>103,730</u> |
| | <u>109,970</u> | <u>105,800</u> |
| Amounts falling between one and two years: | | |
| Bank loans - 1-2 years | <u>103,730</u> | <u>103,730</u> |
| Amounts falling due between two and five years: | | |
| Bank loans - 2-5 years | <u>311,190</u> | <u>311,189</u> |
| Amounts falling due in more than five years: | | |
| Repayable by instalments: | | |
| Bank loans more 5 yr by instal | 972,123 | 1,050,887 |

16. MOVEMENT IN FUNDS

| | At 1.7.20 £ | Net movement in funds £ | At 30.6.21 £ |
|---------------------------|------------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | 7,301,839 | 323,286 | 7,625,125 |
| Restricted funds | | | |
| Restricted fund | 772,835 | (92,233) | 680,602 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | 8,074,674 | 231,053 | 8,305,727 |

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

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 6,090,392 | (5,859,339) | 231,053 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | 6,090,392 | (5,859,339) | 231,053 |

Comparatives for movement in funds

| | At 1.7.19 £ | Net movement in funds £ | At 30.6.20 £ |
|---------------------------|------------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | 7,126,236 | 175,603 | 7,301,839 |
| Restricted funds | | | |
| Restricted fund | 840,908 | (68,073) | 772,835 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | 7,967,144 | 107,530 | 8,074,674 |

16. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 6,599,108 | (6,491,578) | 107,530 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | <u>6,599,108</u> | <u>(6,491,578)</u> | <u>107,530</u> |

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1.7.19 £ | Net movement in funds £ | At 30.6.21 £ |
|---------------------------|------------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | 7,126,236 | 338,583 | 7,464,819 |
| Restricted funds | | | |
| Restricted fund | 840,908 | - | 840,908 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | <u>7,967,144</u> | <u>338,583</u> | <u>8,305,727</u> |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 12,689,500 | (12,350,917) | 338,583 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | <u>12,689,500</u> | <u>(12,350,917)</u> | <u>338,583</u> |

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 June 2021.

Al-Shirkatul Islamiyyah
(a company limited by guarantee)

Detailed Statement of Financial Activities
for the Year Ended 30 June 2021

| | 30.6.21 £ | 30.6.20 £ |
|---------------------------------------|---------------|---------------|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Donations | <u>20,609</u> | <u>9,541</u> |
| | 20,609 | 9,541 |
| Other trading activities | | |
| Media and publication income | 6,045,539 | 6,548,380 |
| Investment income | | |
| Rents received | 22,000 | 22,000 |
| Deposit account interest | <u>39</u> | <u>1,431</u> |
| | 22,039 | 23,431 |
| Other income | | |
| Other income | <u>2,205</u> | <u>17,756</u> |
| Total incoming resources | 6,090,392 | 6,599,108 |
| EXPENDITURE | | |
| Raising donations and legacies | | |
| Telephone | 19,071 | 14,420 |
| Postage and stationery | 31,542 | 27,192 |
| Sundries | 4,542 | 18,952 |
| Opening stock | 1,298,694 | 1,069,807 |
| Purchases | 1,049 | 23,507 |
| Direct costs | 3,615,249 | 3,906,262 |
| Closing stock | (1,369,066) | (1,298,694) |
| Repairs and maintenance | 75,148 | 109,049 |
| Motor expenses | 3,716 | 11,803 |
| Travelling expenses | 31,865 | 68,278 |
| Computer costs | 589,024 | 651,421 |
| Refreshments (Ziafat) | 6,633 | 11,791 |
| Equipments | 106,183 | 134,490 |
| Equipment hire | 39,498 | 451,743 |
| Loss on sale of tangible fixed assets | <u>84</u> | <u>-</u> |
| | 4,453,232 | 5,200,021 |

Al-Shirkatul Islamiyyah
(a company limited by guarantee)

Detailed Statement of Financial Activities
for the Year Ended 30 June 2021

Other trading activities

| | | |
|-----------|-----|-------|
| Bad debts | 152 | 1,496 |
|-----------|-----|-------|

Charitable activities

| | | |
|---------------------------------------|---------------|---------------|
| Rates and water | 97,956 | 90,682 |
| Insurance | 66,561 | 66,445 |
| Light and heat | 125,280 | 165,994 |
| Telephone | 54,639 | 59,617 |
| Postage and stationery | 74,308 | 56,776 |
| Sundries | 68,630 | 13,970 |
| Repairs & maintenance | 55,371 | 36,801 |
| Motor vehicle expenses | 7,020 | 6,526 |
| Professional fees | 49,335 | 8,535 |
| Auditor's remuneration | 11,050 | 10,150 |
| Refreshments (Ziafat) | 6,669 | 8,607 |
| Exchange (gains) / losses | 4,710 | (21,504) |
| Depreciation of tangible fixed assets | 755,775 | 755,073 |
| Bank interest | 3,684 | 6,930 |
| Mortgage interest | <u>24,967</u> | <u>25,459</u> |

| | | |
|--|------------------|------------------|
| | <u>1,405,955</u> | <u>1,290,061</u> |
|--|------------------|------------------|

| | | |
|--------------------------|------------------|------------------|
| Total resources expended | <u>5,859,339</u> | <u>6,491,578</u> |
|--------------------------|------------------|------------------|

| | | |
|-------------------|-----------------------|-----------------------|
| Net income | <u><u>231,053</u></u> | <u><u>107,530</u></u> |
|-------------------|-----------------------|-----------------------|