

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

Strategic Report, Report of the Trustees and  
Audited Financial Statements for the Year Ended 30 June 2018  
for

Al-Shirkatul Islamiyyah

(A Company Limited by Guarantee)



0/13/2

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 2018

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Al-Shirkatul Islamiyyah  
(a company limited by guarantee)

Reference and Administrative Details  
for the Year Ended 30 June 2018

**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

**REGISTERED OFFICE**

22 Dear Park Road  
London  
SW19 3TL

**REGISTERED COMPANY  
NUMBER**

02051424 (England and Wales)

**REGISTERED CHARITY  
NUMBER**

295197

**INDEPENDENT AUDITOR**

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

Strategic Report  
for the Year Ended 30 June 2018

The trustees present their strategic report for the year ended 30 June 2018.

**REVIEW OF BUSINESS**

The charity continue 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 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 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.

**FUTURE PROSPECTS**

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.

Approved by order of the board of trustees on 8<sup>th</sup> February 2019 and signed on its behalf by:



A B Arshad - Trustee



Report of the Trustees  
for the Year Ended 30 June 2018

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2018. 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**

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**

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

### **Volunteers**

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.

## **ACHIEVEMENT 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.

The turnover of the Charity from media and publications increased by 25% during the year owing to increased media sponsorship fees. Sale of books has remained flat in comparison with prior year. Direct cost increased by 4.0% from last year mainly because of increased IT costs but apart from this there was better cost controls and better rates negotiated with suppliers.

Administrative costs increased by 4% during the year in comparison with prior year mainly due to increase in depreciation and hospitality expenses.

## **FINANCIAL REVIEW**

### **Financial position**

The charity delivered a net profit of £1,092,683 during the year. At the balance sheet, total funds amounted to £6,916,939 and £890,541 on unrestricted and restricted reserves respectively.

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.

## **FINANCIAL REVIEW**

### **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.

### **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.

### **Principal funding sources**

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.

## **FUTURE PLANS**

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**

### **Governing document**

The Charity is constituted as a company limited by guarantee, and is therefore governed by its Memorandum and Articles of Association.

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.

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

New trustees are appointed in accordance with its Articles of Association.

### **Decision making**

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.

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

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.

### **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.

#### **STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Al-Shirkatul Islamiyyah (a company limited by guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with 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".

Company law 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 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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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 that information.

#### **AUDITOR**

The auditor, Nasir Mahmud FCA, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 8<sup>th</sup> February 2019 and signed on its behalf by:



A B Arshad - Trustee

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

**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 2018 which comprise the Statement of Financial Activities, the Balance Sheet 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'.

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.

In my opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2018 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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 Auditors 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 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, 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.

**Opinion 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.

**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 Strategic Report and 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my Report of the Independent Auditor.



Nasir Mahmud FCA (Senior statutory auditor)

For and on behalf of:  
Nasir Mahmud  
Chartered Accountant  
Falcon House  
257 Burlington Road  
New Malden  
Surrey  
KT3 4NE

Date: 8 February 2019



Al-Shirkatul Islamiyyah  
(a company limited by guarantee)

Statement of Financial Activities  
for the Year Ended 30 June 2018

|                                    |       | Unrestricted<br>fund<br>£ | Restricted<br>fund<br>£ | 30.6.18<br>Total funds<br>£ | 30.6.17<br>Total funds<br>£ |
|------------------------------------|-------|---------------------------|-------------------------|-----------------------------|-----------------------------|
|                                    | Notes |                           |                         |                             |                             |
| <b>INCOME AND ENDOWMENTS FROM</b>  |       |                           |                         |                             |                             |
| Donations and legacies             | 2     | 11,141                    | -                       | 11,141                      | 1,988                       |
| Other trading activities           | 3     | 6,795,338                 | -                       | 6,795,338                   | 5,430,921                   |
| Investment income                  | 4     | 16,665                    | -                       | 16,665                      | 16,256                      |
| Other income                       |       | 877                       | -                       | 877                         | 109,658                     |
| <b>Total</b>                       |       | <b>6,824,021</b>          | <b>-</b>                | <b>6,824,021</b>            | <b>5,558,823</b>            |
| <b>EXPENDITURE ON</b>              |       |                           |                         |                             |                             |
| <b>Raising funds</b>               |       |                           |                         |                             |                             |
| Raising donations and legacies     | 5     | 4,632,022                 | -                       | 4,632,022                   | 4,453,758                   |
|                                    |       | 4,632,022                 | -                       | 4,632,022                   | 4,453,758                   |
| <b>Charitable activities</b>       |       |                           |                         |                             |                             |
| Charitable activities              | 6     | 1,089,367                 | -                       | 1,089,367                   | 1,046,747                   |
| Governance costs                   |       | 9,950                     | -                       | 9,950                       | 9,600                       |
| <b>Total</b>                       |       | <b>5,731,339</b>          | <b>-</b>                | <b>5,731,339</b>            | <b>5,510,105</b>            |
| <b>NET INCOME</b>                  |       | <b>1,092,683</b>          | <b>-</b>                | <b>1,092,683</b>            | <b>48,718</b>               |
| <b>Transfers between funds</b>     |       | <b>49,633</b>             | <b>(49,633)</b>         | <b>-</b>                    | <b>-</b>                    |
|                                    |       |                           |                         |                             |                             |
|                                    |       |                           |                         |                             |                             |
| <b>Net movement in funds</b>       |       | <b>1,142,316</b>          | <b>(49,633)</b>         | <b>1,092,683</b>            | <b>48,718</b>               |
| <b>RECONCILIATION OF FUNDS</b>     |       |                           |                         |                             |                             |
| <b>Total funds brought forward</b> |       | <b>5,774,623</b>          | <b>940,174</b>          | <b>6,714,797</b>            | <b>6,666,079</b>            |
|                                    |       |                           |                         |                             |                             |
| <b>TOTAL FUNDS CARRIED FORWARD</b> |       | <b>6,916,939</b>          | <b>890,541</b>          | <b>7,807,480</b>            | <b>6,714,797</b>            |

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

Al-Shirkatul Islamiyyah  
(a company limited by guarantee)

Balance Sheet  
At 30 June 2018

|  |       | 30.6.18<br>Total funds | 30.6.17<br>Total funds |
|--|-------|------------------------|------------------------|
|  | Notes | £                      | £                      |
| <b>FIXED ASSETS</b>                          |       |                        |                        |
| Tangible assets                              | 10    | 5,712,133              | 5,467,706              |
| <b>CURRENT ASSETS</b>                        |       |                        |                        |
| Stocks                                       | 11    | 879,234                | 760,498                |
| Debtors                                      | 12    | 2,291,797              | 2,040,241              |
| Cash at bank and in hand                     |       | <u>529,811</u>         | <u>271,842</u>         |
|  |       | 3,700,842              | 3,072,581              |
| <b>CREDITORS</b>                             |       |                        |                        |
| Amounts falling due within one year          | 13    | (939,834)              | (1,128,982)            |
| <b>NET CURRENT ASSETS</b>                    |       | <u>2,761,008</u>       | <u>1,943,599</u>       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | 8,473,141              | 7,411,305              |
| <b>CREDITORS</b>                             |       |                        |                        |
| Amounts falling due after more than one year | 14    | (665,661)              | (696,508)              |
| <b>NET ASSETS</b>                            |       | <u>7,807,480</u>       | <u>6,714,797</u>       |
| <b>FUNDS</b>                                 | 16    |                        |                        |
| Unrestricted funds:                          |       |                        |                        |
| General fund                                 |       | 6,916,939              | 5,774,623              |
| Restricted funds:                            |       |                        |                        |
| Restricted fund                              |       | <u>890,541</u>         | <u>940,174</u>         |
| <b>TOTAL FUNDS</b>                           |       | <u>7,807,480</u>       | <u>6,714,797</u>       |

The financial statements were approved by the Board of Trustees on 8<sup>th</sup> February 2019 and were signed on its behalf by:



M M Ahmad -Trustee

The notes form part of these financial statements

## **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 2015)', 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.

### **Financial reporting standard 102 - reduced disclosure exemptions**

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

### **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**

|           | 30.6.18<br>£  | 30.6.17<br>£ |
|-----------|---------------|--------------|
| Donations | <u>11,141</u> | <u>1,988</u> |
|           | <u>11,141</u> | <u>1,988</u> |

**3. OTHER TRADING ACTIVITIES**

|                              | 30.6.18<br>£     | 30.6.17<br>£     |
|------------------------------|------------------|------------------|
| Media and publication income | <u>6,795,338</u> | <u>5,430,921</u> |

**4. INVESTMENT INCOME**

|                          | 30.6.18<br>£  | 30.6.17<br>£  |
|--------------------------|---------------|---------------|
| Rents received           | 16,000        | 16,000        |
| Deposit account interest | <u>665</u>    | <u>256</u>    |
|                          | <u>16,665</u> | <u>16,256</u> |

**5. RAISING DONATIONS AND LEGACIES**

|                         | 30.6.18<br>£     | 30.6.17<br>£     |
|-------------------------|------------------|------------------|
| Rates and water         | 11,893           | -                |
| Light and heat          | 6,454            | 15,937           |
| Telephone               | 20,384           | 15,991           |
| Postage and stationery  | 36,882           | 42,796           |
| Sundries                | 47,486           | 9,293            |
| Opening stock           | 839,484          | 678,686          |
| Purchases               | 35,804           | 32,931           |
| Direct costs            | 3,548,609        | 3,537,938        |
| Closing stock           | (954,871)        | (839,484)        |
| Repairs and maintenance | 99,831           | 109,280          |
| Motor expenses          | 7,401            | 7,060            |
| Travelling expenses     | 50,889           | 28,975           |
| Computer costs          | 464,999          | 335,761          |
| Refreshments (Ziafat)   | 14,795           | 12,977           |
| Equipment               | 68,309           | 218,991          |
| Equipment hire          | <u>333,673</u>   | <u>246,626</u>   |
|                         | <u>4,632,022</u> | <u>4,453,758</u> |

**6. CHARITABLE ACTIVITIES COSTS**

|                       | 30.6.18<br>£     | 30.6.17<br>£     |
|-----------------------|------------------|------------------|
| Charitable activities | 1,089,367        | 1,046,747        |
| Governance costs      | <u>9,950</u>     | <u>9,600</u>     |
|                       | <u>1,099,317</u> | <u>1,056,347</u> |

**7. NET INCOME/(EXPENDITURE)**

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

|  | 30.6.18    | 30.6.17          |
|--|------------|------------------|
|  | £          | £                |
| Depreciation - owned assets                  | 718,674    | 584,968          |
| Deficit/(surplus) on disposal of fixed asset | <u>737</u> | <u>(101,680)</u> |

**8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 30 June 2018 nor for the year ended 30 June 2017.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 30 June 2018 nor for the year ended 30 June 2017.

**9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

|                                    | Unrestricted fund<br>£  | Restricted fund<br>£   | Total funds<br>£        |
|------------------------------------|-------------------------|------------------------|-------------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>  |                         |                        |                         |
| Donations and legacies             | 1,988                   | -                      | 1,988                   |
| Other trading activities           | 5,430,921               | -                      | 5,430,921               |
| Investment income                  | 16,256                  | -                      | 16,256                  |
| Other income                       | <u>109,658</u>          | <u>-</u>               | <u>109,658</u>          |
| <b>Total</b>                       | <b>5,558,823</b>        | <b>-</b>               | <b>5,558,823</b>        |
| <b>EXPENDITURE ON</b>              |                         |                        |                         |
| Raising funds                      | 4,453,758               | -                      | 4,453,758               |
| <b>Charitable activities</b>       |                         |                        |                         |
| Charitable activities              | 1,046,747               | -                      | 1,046,747               |
| Governance costs                   | <u>9,600</u>            | <u>-</u>               | <u>9,600</u>            |
| <b>Total</b>                       | <b>5,510,105</b>        | <b>-</b>               | <b>5,510,105</b>        |
| <b>NET INCOME</b>                  | <b>48,718</b>           | <b>-</b>               | <b>48,718</b>           |
| <b>Transfer between funds</b>      | <b><u>49,633</u></b>    | <b><u>(49,633)</u></b> |                         |
| <b>Net movement in funds</b>       | <b>98,351</b>           | <b>(49,633)</b>        |                         |
| <b>RECONCILIATION OF FUNDS</b>     |                         |                        |                         |
| <b>Total funds brought forward</b> | <b><u>5,676,272</u></b> | <b><u>989,807</u></b>  | <b><u>6,666,079</u></b> |
| <b>TOTAL FUNDS CARRIED FORWARD</b> | <b><u>5,774,623</u></b> | <b><u>940,174</u></b>  | <b><u>6,714,797</u></b> |

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2018

10. TANGIBLE FIXED ASSETS

|                        | Freehold<br>property<br>£ | Long<br>leasehold<br>£ | Plant and<br>machinery<br>£ |
|------------------------|---------------------------|------------------------|-----------------------------|
| <b>COST</b>            |                           |                        |                             |
| At 1 July 2017         | 2,981,642                 | 1,132,685              | 1,322,932                   |
| Additions              | -                         | -                      | 1,250                       |
| Disposals              | -                         | -                      | -                           |
| At 30 June 2018        | <u>2,981,642</u>          | <u>1,132,685</u>       | <u>1,324,182</u>            |
| <b>DEPRECIATION</b>    |                           |                        |                             |
| At 1 July 2017         | 344,826                   | 33,008                 | 1,278,395                   |
| Charge for year        | 49,633                    | 22,653                 | 9,157                       |
| Eliminated on disposal | -                         | -                      | -                           |
| At 30 June 2018        | <u>394,459</u>            | <u>55,661</u>          | <u>1,287,552</u>            |
| <b>NET BOOK VALUE</b>  |                           |                        |                             |
| At 30 June 2018        | <u>2,587,183</u>          | <u>1,077,024</u>       | <u>36,630</u>               |
| At 30 June 2017        | <u>2,636,816</u>          | <u>1,099,677</u>       | <u>44,537</u>               |

|                        | Fixtures and<br>fittings<br>£ | Motor<br>vehicles<br>£ | Computer<br>equipment<br>£ | Totals<br>£       |
|------------------------|-------------------------------|------------------------|----------------------------|-------------------|
| <b>COST</b>            |                               |                        |                            |                   |
| At 1 July 2017         | 862,134                       | 112,240                | 4,284,419                  | 10,696,052        |
| Additions              | 219,748                       | 14,100                 | 728,934                    | 964,032           |
| Disposals              | <u>(2,456)</u>                | <u>(32,900)</u>        | <u>-</u>                   | <u>(35,356)</u>   |
| At 30 June 2018        | <u>1,079,426</u>              | <u>93,440</u>          | <u>5,013,353</u>           | <u>11,624,728</u> |
| <b>DEPRECIATION</b>    |                               |                        |                            |                   |
| At 1 July 2017         | 488,976                       | 86,057                 | 2,997,084                  | 5,228,346         |
| Charge for year        | 119,870                       | 13,293                 | 504,068                    | 718,674           |
| Eliminated on disposal | <u>(1,740)</u>                | <u>(32,685)</u>        | <u>-</u>                   | <u>(34,425)</u>   |
| At 30 June 2018        | <u>607,106</u>                | <u>66,665</u>          | <u>3,501,152</u>           | <u>5,912,595</u>  |
| <b>NET BOOK VALUE</b>  |                               |                        |                            |                   |
| At 30 June 2018        | <u>472,320</u>                | <u>26,775</u>          | <u>1,512,201</u>           | <u>5,712,133</u>  |
| At 30 June 2017        | <u>373,158</u>                | <u>26,183</u>          | <u>1,287,335</u>           | <u>5,467,706</u>  |

Included in cost or valuation of land and buildings is freehold land of £500,000 (2017 - £500,000) which is not depreciated.

**11. STOCKS**

|                | 30.6.18        | 30.6.17        |
|----------------|----------------|----------------|
|                | £              | £              |
| Finished goods | <u>879,234</u> | <u>760,498</u> |

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                | 30.6.18          | 30.6.17          |
|--------------------------------|------------------|------------------|
|                                | £                | £                |
| Trade debtors                  | 1,376,905        | 1,106,571        |
| Other debtors                  | 388,573          | 452,277          |
| VAT                            | 103,783          | 64,128           |
| Prepayments and accrued income | <u>422,536</u>   | <u>417,265</u>   |
|                                | <u>2,291,797</u> | <u>2,040,241</u> |

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

|   | 30.6.18        | 30.6.17          |
|---|----------------|------------------|
|   | £              | £                |
| Bank loans and overdrafts (see note 15) | 80,461         | 88,773           |
| Trade creditors                         | 824,579        | 849,247          |
| Other creditors                         | 20,671         | 177,931          |
| Accrued expenses                        | <u>14,123</u>  | <u>13,031</u>    |
|   | <u>939,834</u> | <u>1,128,982</u> |

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

|                          | 30.6.18        | 30.6.17        |
|--------------------------|----------------|----------------|
|                          | £              | £              |
| Bank loans (see note 15) | <u>665,661</u> | <u>696,508</u> |

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2018

**15. LOANS**

An analysis of the maturity of loans is given below:

|   | 30.6.18<br>£   | 30.6.17<br>£   |
|---|----------------|----------------|
| Amounts falling due within one year on demand:  |                |                |
| Bank overdraft                                  | 35,856         | 44,168         |
| Bank loans                                      | <u>44,605</u>  | <u>44,605</u>  |
|   | <u>80,461</u>  | <u>88,773</u>  |
| Amounts falling between one and two years:      |                |                |
| Bank loans - 1-2 years                          | <u>44,605</u>  | <u>44,605</u>  |
| Amounts falling due between two and five years: |                |                |
| Bank loans - 2-5 years                          | <u>133,815</u> | <u>133,815</u> |
| Amounts falling due in more than five years:    |                |                |
| Repayable by instalments:                       |                |                |
| Bank loans more 5 year by instalments           | <u>487,241</u> | <u>518,088</u> |

The rate of interest charged on the bank loan is 1.5% over Base rate and is fully repayable in equal instalments by February 2022. The loan is secured by way of a first legal charge on the leasehold properties at Units 2 & 3 Bourne Mill Business Park, Guildford Road, Farnham, Surrey GU9 9PS.

**16. MOVEMENT IN FUNDS**

|                           | At 1.7.17<br>£   | Net movement<br>in funds<br>£ | Transfers<br>between funds<br>£ | At 30.6.18<br>£  |
|---------------------------|------------------|-------------------------------|---------------------------------|------------------|
| <b>Unrestricted funds</b> |                  |                               |                                 |                  |
| General fund              | 5,774,623        | 1,092,683                     | 49,633                          | 6,916,939        |
| <b>Restricted funds</b>   |                  |                               |                                 |                  |
| Restricted fund           | 940,174          | -                             | (49,633)                        | 890,541          |
| <b>TOTAL FUNDS</b>        | <u>6,714,797</u> | <u>1,092,683</u>              | <u>-</u>                        | <u>7,807,480</u> |

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

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Movement in<br>funds<br>£ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                           |
| General fund              | 6,824,021                  | (5,731,339)                | 1,092,683                 |
| <b>TOTAL FUNDS</b>        | <u>6,824,021</u>           | <u>(5,731,339)</u>         | <u>1,092,683</u>          |

**16. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

|                           | At 1.7.16<br>£   | Net movement<br>in funds<br>£ | At 30.6.17<br>£  |
|---------------------------|------------------|-------------------------------|------------------|
| <b>Unrestricted Funds</b> |                  |                               |                  |
| General fund              | 6,666,079        | 48,718                        | 6,714,797        |
|                           | <hr/>            | <hr/>                         | <hr/>            |
| <b>TOTAL FUNDS</b>        | <u>6,666,079</u> | <u>48,718</u>                 | <u>6,714,797</u> |

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

|                    | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Movement in<br>funds<br>£ |
|--------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds |                            |                            |                           |
| General fund       | 5,558,823                  | (5,510,105)                | 48,718                    |
|                    | <hr/>                      | <hr/>                      | <hr/>                     |
| <b>TOTAL FUNDS</b> | <u>5,558,823</u>           | <u>(5,510,105)</u>         | <u>48,718</u>             |

**17. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 30 June 2018.

Al-Shirkatul Islamiyyah  
(a company limited by guarantee)

Detailed Statement of Financial Activities  
for the Year Ended 30 June 2018

|                                       | 30.6.18<br>£ | 30.6.17<br>£ |
|---------------------------------------|--------------|--------------|
| <b>INCOME AND ENDOWMENTS</b>          |              |              |
| <b>Donations and legacies</b>         |              |              |
| Donations                             | 11,141       | 1,988        |
|                                       | 11,141       | 1,988        |
| <b>Other trading activities</b>       |              |              |
| Media and publication income          | 6,795,338    | 5,430,921    |
| <b>Investment income</b>              |              |              |
| Rents received                        | 16,000       | 16,000       |
| Deposit account interest              | 665          | 256          |
|                                       | 16,665       | 16,256       |
| <b>Other income</b>                   |              |              |
| Gain on sale of tangible fixed assets | (737)        | 101,680      |
| Other income                          | 1,614        | 7,978        |
|                                       | 877          | 109,658      |
| <b>Total incoming resources</b>       | 6,824,021    | 5,558,823    |
| <b>EXPENDITURE</b>                    |              |              |
| <b>Raising donations and legacies</b> |              |              |
| Rates and water                       | 11,893       | -            |
| Light and heat                        | 6,454        | 15,937       |
| Telephone                             | 20,384       | 15,991       |
| Postage and stationery                | 36,882       | 42,796       |
| Sundries                              | 47,486       | 9,293        |
| Opening stock                         | 839,484      | 678,686      |
| Purchases                             | 35,804       | 32,931       |
| Direct costs                          | 3,548,609    | 3,537,938    |
| Closing stock                         | (954,871)    | (839,484)    |
| Repairs and maintenance               | 99,831       | 109,280      |
| Motor expenses                        | 7,401        | 7,060        |
| Travelling expenses                   | 50,889       | 28,975       |
| Computer costs                        | 464,999      | 335,761      |
| Refreshments (Ziafat)                 | 14,795       | 12,977       |
| Equipment                             | 68,309       | 218,991      |
| Equipment hire                        | 333,673      | 246,626      |
|                                       | 4,632,022    | 4,453,758    |

This page does not form part of the statutory financial statements

Al-Shirkatul Islamiyyah  
(a company limited by guarantee)

Detailed Statement of Financial Activities  
for the Year Ended 30 June 2018

|                                       | 30.6.18<br>£     | 30.6.17<br>£     |
|---------------------------------------|------------------|------------------|
| <b>Charitable activities</b>          |                  |                  |
| Rates and water                       | 41,259           | 30,276           |
| Insurance                             | 54,009           | 47,757           |
| Light and heat                        | 86,977           | 77,363           |
| Telephone                             | 72,969           | 52,818           |
| Postage and stationery                | 18,015           | 11,873           |
| Sundries                              | 13,652           | 118,984          |
| Repairs & maintenance                 | 53,119           | 71,656           |
| Motor vehicle expenses                | 13,663           | 2,643            |
| Professional fees                     | -                | 60               |
| Auditor's remuneration                | 9,950            | 9,600            |
| Refreshments (Ziafat)                 | 7,144            | 6,545            |
| Exchange (gains) / losses             | (6,740)          | 34,905           |
| Depreciation of tangible fixed assets | 718,675          | 584,968          |
| Bank interest                         | 2,867            | 3,419            |
| Mortgage interest                     | 13,758           | 3,480            |
|                                       | <u>1,099,317</u> | <u>1,056,347</u> |
| <b>Total resources expended</b>       | 5,731,339        | 5,510,105        |
|                                       | <hr/>            | <hr/>            |
| <b>Net income</b>                     | <u>1,092,683</u> | <u>48,718</u>    |