

REGISTERED COMPANY NUMBER: 03693242 (England and Wales)
REGISTERED CHARITY NUMBER: 1079965

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2018
for
Al Kalima

DH Business Support Ltd
12 Jordan Street
Liverpool
L1 0BP

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for the Year Ended 31 December 2018

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Report of the Trustees
for the Year Ended 31 December 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 31 December 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

Charitable Objectives and activities for the public benefit

Al Kalima seeks to advance a clear understanding of Christian belief among Muslims by the publishing and distribution of culturally relevant Christian literature.

The charity's strategic objectives are:

- To make available a translation of Scripture in Arabic understandable to Muslims and faithful to the original text
- To publish Christian books which will help Muslims understand Christian beliefs
- To place our titles in the commercial mainstream of Arabic publishing and distribution
- To use other forms of media to disseminate more widely the message of our books
- To partner with other like-minded organisations to achieve our objectives

Review of activities

Al Kalima had a quiet year in 2018. No new books were published and the one title we had hoped to complete, Stories from the Prophets, was delayed. Publication is now scheduled for May 2019. The delay did mean that we had more time to accumulate funds to match the \$104,000 matching grant from Wycliffe USA. It was an answer to prayer that near the end of the year we received a large sum, over \$40,000, which brought us very close to the finishing line.

More copies of True Meaning and Bold Proclamation were printed for distributors in Iraq, Tunisia and Syria. In early 2019 an agreement was signed with an Egyptian distributor to take some of our titles for that country. This could fulfil a long-held desire to see our books available in the Arab world's most populous country.

It has been said that people don't want to read these days, and it is certainly true that sales are down at the Tunis Book Fair, which we attend every year. However, the immediacy of video and the convenience of reading on a smartphone are not substitutes for the sensory experience of a book. There is still demand for the printed word.

Our project to produce an English version of John's Gospel, has been moving rather more slowly than we had hoped. Mrs Farhana Mayer, who has been reviewing the back translation from True Meaning, has been taken up with her academic studies. We hope to make more progress in 2019.

Our founder and executive director, Mazhar Mallouhi, was diagnosed with cancer during the year. Following successful surgery and a good convalescence Mazhar has been able to resume his normal travelling schedule, for which we thank God. It seems the Lord has still got some plans for him!

The Al Kalima board will welcome its newest member, Dr Sameh Hanna, to its next meeting in 2019. Dr Hanna has been researching Bible translation in Arabic and his expertise will be greatly valued by the board.

FINANCIAL REVIEW

Financial position

We thank God for his continuing provision for our needs as he prompts people and the organisations they work for to support us. We ended the year with sufficient funds to undertake the major printing project of 2019, as well as having sufficient funds in reserve to meet contingencies.

Principal funding sources

Wycliffe USA have provided over \$100,000 for publishing Stories from the Prophets. Wycliffe UK gave us over £32,000, split between funding printing of the same book, and audio-visual production of Psalms. Other gifts have come from our supporting churches and individuals.

Reserves policy

Our reserves policy is such that the charity normally pays its expenses in cash and has no long-term liabilities. We aim to keep a reserve of about \$7,800 US dollars or £5,000 to meet any unforeseen expenses.

FUTURE PLANS

The publication of our Old Testament selection, Stories from the Prophets, in summer 2018 will be our last translation project. After this we intend to concentrate on making our content accessible to Arab readers, both those who like reading and those who prefer watching videos, as is now often the case. Further imprints of True Meaning and Bold Proclamation will be undertaken as opportunities arise in new countries and funds are available.

Thus we will be working closely with partners to make sure that audio and video content can be produced. The limitations on this are more likely to be finding the right people to produce this, rather than the funds to finance it.

There are also plans to produce a new series of books on the influence of Christ in Arab literature and poetry. The first volume has been commissioned, but no publication date has yet been set.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The charity normally recruits trustees by personal recommendation. New trustees are normally appointed by the members of the charity at a general meeting, or by the existing trustees at other times. In this latter case the trustee must retire at the next annual general meeting, but can be reappointed. One third of all directors retire at each AGM by rotation, but can be re-elected. The Memorandum and Articles provide for a minimum of three trustees, with no maximum number.

Organisational structure

The Trustees administrate the majority of the operations in the United Kingdom themselves and have appointed Mr. Mallouhi as an agent for the charity with authority for controlling major resources of the charity in the Arab world.

We rely heavily on the strength of our relationships with businesses and individuals, something which we never take for granted.

Report of the Trustees
for the Year Ended 31 December 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

The charity is currently reviewing induction and training of new trustees such that when the need arises it will be prepared.

Related parties

The Trustees have appointed Mr. Mallouhi as an agent for the charity with authority for controlling major resources of the charity in the Arab world.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03693242 (England and Wales)

Registered Charity number

1079965

Registered office

7 Westbourne Gardens
Trowbridge
Wiltshire
BA14 9AW

Trustees

M Hall
M Tinawi
E Greening
J Evans

Company Secretary

E Greening

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

.....
E Greening - Trustee

Statement of Financial Activities
for the Year Ended 31 December 2018

	Notes	Unrestricted fund \$	Restricted funds \$	31.12.18 Total funds \$	31.12.17 Total funds \$
INCOME AND ENDOWMENTS FROM					
Donations and legacies		12,211	99,474	111,685	282,935
Other trading activities	2	1,285	-	1,285	1,175
Total		13,496	99,474	112,970	284,110
EXPENDITURE ON					
Raising funds	3	743	-	743	155
Charitable activities					
Charitable activities		87,893	121,315	209,208	240,959
Total		88,636	121,315	209,951	241,114
NET INCOME/(EXPENDITURE)		(75,140)	(21,841)	(96,981)	42,996
Transfers between funds	9	(47,696)	47,696	-	(40,797)
Net movement in funds		(122,836)	25,855	(96,981)	2,199
RECONCILIATION OF FUNDS					
Total funds brought forward		145,613	31,982	177,595	175,396
TOTAL FUNDS CARRIED FORWARD		22,777	57,837	80,614	177,595

The notes form part of these financial statements

Statement of Financial Activities - continued
for the Year Ended 31 December 2018

SURPLUS/(DEFICIT) AS PER ROUNDED TRIAL BALANCE	(96,981)	42,996
NET INCOME/(EXPENDITURE)	(96,981)	42,996
	<hr/>	<hr/>
Difference	-	-

Al Kalima

Balance Sheet
At 31 December 2018

	Notes	Unrestricted fund \$	Restricted funds \$	31.12.18 Total funds \$	31.12.17 Total funds \$
CURRENT ASSETS					
Stocks	6	-	-	-	67,742
Debtors	7	-	14,000	14,000	-
Cash at bank and in hand		(3,524)	73,380	69,856	113,094
		<u>(3,524)</u>	<u>87,380</u>	<u>83,856</u>	<u>180,836</u>
CREDITORS					
Amounts falling due within one year	8	26,301	(29,542)	(3,241)	(3,241)
		<u>22,777</u>	<u>57,838</u>	<u>80,615</u>	<u>177,595</u>
NET CURRENT ASSETS					
		<u>22,777</u>	<u>57,838</u>	<u>80,615</u>	<u>177,595</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>22,777</u>	<u>57,838</u>	<u>80,615</u>	<u>177,595</u>
NET ASSETS					
		<u>22,777</u>	<u>57,838</u>	<u>80,615</u>	<u>177,595</u>
FUNDS					
Unrestricted funds	9			22,777	145,613
Restricted funds				57,838	31,982
TOTAL FUNDS					
				<u>80,615</u>	<u>177,595</u>

The notes form part of these financial statements

Al Kalima

Balance Sheet - continued
At 31 December 2018

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2018 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

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

.....
E Greening -Trustee

Notes to the Financial Statements
for the Year Ended 31 December 2018

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.

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.

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. OTHER TRADING ACTIVITIES

	31.12.18	31.12.17
	\$	\$
Book Sales	1,285	1,175
	<u> </u>	<u> </u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

3. RAISING FUNDS

Investment management costs

	31.12.18	31.12.17
	\$	\$
Administrative expenses	743	-
	<u> </u>	<u> </u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2018 nor for the year ended 31 December 2017 .

Trustees' expenses

During the year, Majed Tinawi was reimbursed for \$407.37 in expenses.

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund \$	Restricted funds \$	Total funds \$
INCOME AND ENDOWMENTS FROM			
Donations and legacies	235,496	47,439	282,935
Other trading activities	1,175	-	1,175
Total	<u>236,671</u>	<u>47,439</u>	<u>284,110</u>
 EXPENDITURE ON			
Raising funds	155	-	155
Charitable activities			
Charitable activities	114,824	126,135	240,959
Total	<u>114,979</u>	<u>126,135</u>	<u>241,114</u>
 NET INCOME/(EXPENDITURE)	<u>121,692</u>	<u>(78,696)</u>	<u>42,996</u>
 Transfers between funds	<u>(73,148)</u>	<u>32,351</u>	<u>(40,797)</u>
 Net movement in funds	<u>48,544</u>	<u>(46,345)</u>	<u>2,199</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund \$	Restricted funds \$	Total funds \$
RECONCILIATION OF FUNDS			
Total funds brought forward	97,069	78,327	175,396
TOTAL FUNDS CARRIED FORWARD	<u>145,613</u>	<u>31,982</u>	<u>177,595</u>

6. STOCKS

	31.12.18 \$	31.12.17 \$
Stocks	-	67,742

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18 \$	31.12.17 \$
Prepayments	14,000	-

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18 \$	31.12.17 \$
Trade creditors	(2)	(2)
Other creditors	-	-
Accrued expenses	3,243	3,243
	<u>3,241</u>	<u>3,241</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

9. MOVEMENT IN FUNDS

	At 1.1.18 \$	Net movement in funds \$	Transfers between funds \$	At 31.12.18 \$
Unrestricted funds				
General fund	145,613	(75,140)	(47,696)	22,777
Restricted funds				
Library Project	1,015	-	-	1,015
Audio Project	-	17,089	-	17,089
True Meaning Project	-	-	-	-
Epistles	-	-	-	-
Noorul Abaa	23,374	18,626	(2,266)	39,734
Psalms	7,593	-	(7,593)	-
John English	-	-	-	-
	31,982	(21,840)	47,696	57,838
TOTAL FUNDS	177,595	(96,980)	-	80,615

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

	Incoming resources \$	Resources expended \$	Movement in funds \$
Unrestricted funds			
General fund	13,496	(88,636)	(75,140)
Restricted funds			
Audio Project	17,089	-	17,089
Epistles	-	-	-
Noorul Abaa	82,385	(63,759)	18,626
	99,474	(121,314)	(21,840)
TOTAL FUNDS	112,970	(209,950)	(96,980)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

9. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.17 \$	Net movement in funds \$	Transfers between funds \$	At 31.12.17 \$
Unrestricted Funds				
General fund	97,069	121,692	(73,148)	145,613
Restricted Funds				
Library Project	1,015	-	-	1,015
True Meaning Project	40,797	(40,797)	-	-
Epistles	15,408	(15,408)	-	-
Noorul Abaa	21,107	2,267	-	23,374
Salamiyyeh	-	(31,000)	31,000	-
Psalms	-	7,593	-	7,593
John English	-	(1,351)	1,351	-
	<u>78,327</u>	<u>(78,696)</u>	<u>32,351</u>	<u>31,982</u>
TOTAL FUNDS	<u>175,396</u>	<u>42,996</u>	<u>(40,797)</u>	<u>177,595</u>

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

	Incoming resources \$	Resources expended \$	Movement in funds \$
Unrestricted funds			
General fund	236,671	(114,979)	121,692
Restricted funds			
True Meaning Project	-	(40,797)	(40,797)
Epistles	(1)	(15,407)	(15,408)
Noorul Abaa	15,064	(12,797)	2,267
Salamiyyeh	-	(31,000)	(31,000)
Psalms	29,673	(22,080)	7,593
John English	2,703	(4,054)	(1,351)
	<u>47,439</u>	<u>(126,135)</u>	<u>(78,696)</u>
TOTAL FUNDS	<u>284,110</u>	<u>(241,114)</u>	<u>42,996</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

9. MOVEMENT IN FUNDS - continued

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

	At 1.1.17 \$	Net movement in funds \$	Transfers between funds \$	At 31.12.18 \$
Unrestricted funds				
General fund	97,069	46,552	(120,844)	22,777
Restricted funds				
Library Project	1,015	-	-	1,015
Audio Project	-	17,089	-	17,089
True Meaning Project	40,797	(81,594)	40,797	-
Epistles	15,408	(30,815)	15,407	-
Noorul Abaa	21,107	20,893	(2,266)	39,734
Salamiyyeh	-	(31,000)	31,000	-
Psalms	-	7,593	(7,593)	-
John English	-	(2,702)	2,702	-
	<u>78,327</u>	<u>(100,536)</u>	<u>80,047</u>	<u>57,838</u>
TOTAL FUNDS	<u>175,396</u>	<u>(53,984)</u>	<u>(40,797)</u>	<u>80,615</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	250,167	(203,615)	46,552
Restricted funds			
Audio Project	17,089	-	17,089
Epistles	(1)	(30,814)	(30,815)
Noorul Abaa	97,449	(76,556)	20,893
Psalms	29,673	(22,080)	7,593
John English	2,703	(5,405)	(2,702)
True Meaning Project	-	(81,594)	(81,594)
Salamiyyeh	-	(31,000)	(31,000)
	<u>146,913</u>	<u>(247,449)</u>	<u>(100,536)</u>
TOTAL FUNDS	<u>397,080</u>	<u>(451,064)</u>	<u>(53,984)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

9. MOVEMENT IN FUNDS - continued

Transfers between funds

True Meaning Project: This is the project to reprint True Meaning. We received some gifts for this project. Any shortfall in production costs can be met from the general fund.

LibraryProject: Funds received to finance a project to make the charity's literature available to a wider readership by placing books in public, schools and other libraries.

Epistles printing: Funds received to print the second New Testament volume.

Noorul Abaa: Funds received to translate a selection of Old Testament passages; in preparation for printing in a hardback volume.

Salamiyyeh: Funds received to supply books for distribution and refurbish premises for a reading room and discipleship centre in Salamiyyeh, Syria

Psalms: Received to print a volume of selected psalms.

John English: Received to prepare the text for publication of John's Gospel in English.

10. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2018.

Detailed Statement of Financial Activities
for the Year Ended 31 December 2018

	31.12.18 \$	31.12.17 \$
INCOME AND ENDOWMENTS		
Donations and legacies		
Gifts	-	(2)
Donations	111,685	282,937
	<hr/> 111,685	<hr/> 282,935
Other trading activities		
Book Sales	1,285	1,175
	<hr/> 1,285	<hr/> 1,175
Total incoming resources	112,970	284,110
EXPENDITURE		
Raising donations and legacies		
Website costs & fundraising	-	155
Investment management costs		
Administrative expenses	743	-
Charitable activities		
Audio production	-	2,500
Video Production	-	11,422
Writers fees, translation	19,202	23,155
Carriage	5,000	18,000
Printing & artwork	-	135,417
Book purchases	166,742	31,000
	<hr/> 190,944	<hr/> 221,494
Support costs		
Management		
Travel	14,126	14,883
Accountancy	2,454	2,941
Consultancy	-	1,304
Sundries	(1)	-
	<hr/> 16,579	<hr/> 19,128

Detailed Statement of Financial Activities
for the Year Ended 31 December 2018

	31.12.18 \$	31.12.17 \$
Finance		
Bank charges	687	337
Other 2		
Advertising	997	-
	<hr/>	<hr/>
Total resources expended	209,950	241,114
	<hr/>	<hr/>
Net (expenditure)/income	(96,980)	42,996
	<hr/> <hr/>	<hr/> <hr/>