

**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 2020  
for  
Al Kalima

Contents of the Financial Statements  
for the Year Ended 31 December 2020

	Page
Report of the Trustees	1 to 4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7 to 8
Notes to the Financial Statements	9 to 15
Detailed Statement of Financial Activities	16

Report of the Trustees  
for the Year Ended 31 December 2020

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 2020. 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 2019).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The advancement of education through publishing, inspired by the teaching of Scripture, promoting understanding between Christians and Muslims.

The charity's strategic objectives are:

- To publish books which build bridges between Christians and Muslims.
- These books should build on the common ground that Christians and Muslims have in Scripture.
- 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.

## **OBJECTIVES AND ACTIVITIES**

### **Review of activities**

The last year and a half have been very difficult for many of us because of world governments' responses to the perceived threat from a virus. For Al Kalima the greatest disruption has been in the free movement between countries. Not all work can be carried on effectively over remote link.

Syria has many more pressing issues to deal with, and we rejoiced that our friends who have been distributing our books and organizing small group discussions have increased the scope of their activities, with two groups holding regular meetings. The lending library finds that many books do not get returned, so we just print more, believing that God is using them. At the end of 2020 we raised \$40,000 to print more books for Syria.

The deteriorating economic situation in Lebanon causes us some problems, but we are still able to print books. Paying the bills requires more elaborate means for transferring money, the Lebanese banking system in a state of virtual collapse.

More of the Old Testament stories have been recorded and the process of making them into video clips is proceeding slowly. The app for the 99 most beautiful names is being tested for iPhone.

We have a new volunteer, John Said from Toronto, who is helping us with our websites. This will result in more of our resources being available for Muslims seekers and interested partners looking for materials.

Progress on a version of John in English has ground to a halt, but we have not given up yet. Our first diglot book, The Wisdom of Solomon, came out in English and Arabic as print-on-demand, with a Spanish-Arabic version to follow.

We appreciate the service of all our trustees and would like to thank Dr Sameh Hanna for his service.

## **FINANCIAL REVIEW**

### **Principal funding sources**

We thank God for providing for Al Kalima over the course of 2020 and beyond into 2021. There were times when we ran low on funds, but we have still been able to advance our projects thanks to the generosity of our supporters.

Particular thanks go to Columbus Vineyard Church in the USA who once again were very generous. The services of Doug Cox and Grace Global who process our US donations has once again been provided at no charge, a great blessing.

### **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.

## **FINANCIAL REVIEW**

### **Financial Position**

The charity has decided to save money by switching from using a high street bank for foreign transactions and moving to a specialist currency transfer service, thereby saving several hundred dollars in transfer fees every year.

### **FUTURE PLANS**

The world is in a state of uncertainty, making planning difficult. However, as long as we are able to print books in Lebanon, we know how to get them to people keen to read about Jesus, hope for the nations. We would like to start giving books to imams, starting in Tunisia. This follows on from our Library Project, where books were placed in public, school and prison libraries.

## **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.

## **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**

Dr JB Evans Retired  
E J Greening Charity Administrator  
M A Hall Middle East Consultant  
Dr S Hanna Lecturer (resigned 9.4.21)  
M Tinawi Consultant

### **Company Secretary**

E J Greening

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

.....

Al Kalima

Report of the Trustees  
for the Year Ended 31 December 2020

E J Greening - Trustee

Independent Examiner's Report to the Trustees of  
Al Kalima

**Independent examiner's report to the trustees of Al Kalima ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

**Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

**Independent examiner's statement**

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

David Hassall  
MAAT

Date: .....

Statement of Financial Activities  
for the Year Ended 31 December 2020

	Notes	Unrestricted fund \$	Restricted funds \$	31.12.20 Total funds \$	31.12.19 Total funds \$
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies		14,380	33,217	47,597	172,846
Other trading activities	2	<u>1,818</u>	<u>-</u>	<u>1,818</u>	<u>2,624</u>
<b>Total</b>		16,198	33,217	49,415	175,470
<b>EXPENDITURE ON</b>					
Raising funds		134	-	134	253
<b>Charitable activities</b>					
Main Activity		<u>11,508</u>	<u>67,252</u>	<u>78,760</u>	<u>207,499</u>
<b>Total</b>		<u>11,642</u>	<u>67,252</u>	<u>78,894</u>	<u>207,752</u>
<b>NET INCOME/(EXPENDITURE)</b>		4,556	(34,035)	(29,479)	(32,282)
Transfers between funds	7	<u>(1,138)</u>	<u>1,138</u>	<u>-</u>	<u>-</u>
Net movement in funds		3,418	(32,897)	(29,479)	(32,282)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>8,864</u>	<u>39,469</u>	<u>48,333</u>	<u>80,615</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>12,282</u></u>	<u><u>6,572</u></u>	<u><u>18,854</u></u>	<u><u>48,333</u></u>

The notes form part of these financial statements



Al Kalima

Balance Sheet  
31 December 2020

	Notes	Unrestricted fund \$	Restricted funds \$	31.12.20 Total funds \$	31.12.19 Total funds \$
<b>CURRENT ASSETS</b>					
Cash at bank		15,357	10,572	25,929	221,801
<b>CREDITORS</b>					
Amounts falling due within one year	5	(3,075)	(4,000)	(7,075)	(173,468)
<b>NET CURRENT ASSETS</b>		<u>12,282</u>	<u>6,572</u>	<u>18,854</u>	<u>48,333</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>12,282</u>	<u>6,572</u>	<u>18,854</u>	<u>48,333</u>
<b>NET ASSETS</b>		<u>12,282</u>	<u>6,572</u>	<u>18,854</u>	<u>48,333</u>
<b>FUNDS</b>	7				
Unrestricted funds				12,282	8,864
Restricted funds				<u>6,572</u>	<u>39,469</u>
<b>TOTAL FUNDS</b>				<u>18,854</u>	<u>48,333</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 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.

The notes form part of these financial statements

Al Kalima

Balance Sheet - continued  
31 December 2020

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

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

.....  
E J Greening - 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 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.

### **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.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

**2. OTHER TRADING ACTIVITIES**

	31.12.20	31.12.19
	\$	\$
Book Sales	<u>1,818</u>	<u>2,624</u>

**3. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

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

	Unrestricted fund \$	Restricted funds \$	Total funds \$
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	13,309	159,537	172,846
Other trading activities	<u>2,624</u>	<u>-</u>	<u>2,624</u>
<b>Total</b>	15,933	159,537	175,470
 <b>EXPENDITURE ON</b>			
Raising funds	253	-	253
 <b>Charitable activities</b>			
Main Activity	<u>29,593</u>	<u>177,906</u>	<u>207,499</u>
<b>Total</b>	<u>29,846</u>	<u>177,906</u>	<u>207,752</u>
 <b>NET INCOME/(EXPENDITURE)</b>	(13,913)	(18,369)	(32,282)
 <b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	<u>22,777</u>	<u>57,838</u>	<u>80,615</u>
 <b>TOTAL FUNDS CARRIED FORWARD</b>	<u>8,864</u>	<u>39,469</u>	<u>48,333</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

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

	31.12.20	31.12.19
	\$	\$
Bank loans and overdrafts (see note 6)	-	170,225
Accrued expenses	<u>7,075</u>	<u>3,243</u>
	<u>7,075</u>	<u>173,468</u>

**6. LOANS**

An analysis of the maturity of loans is given below:

	31.12.20	31.12.19
	\$	\$
Amounts falling due within one year on demand:		
Bank overdrafts	<u>-</u>	<u>170,225</u>

**7. MOVEMENT IN FUNDS**

	At 1.1.20	Net movement in funds	Transfers between funds	At 31.12.20
	\$	\$	\$	\$
<b>Unrestricted funds</b>				
General fund	8,864	4,556	(1,138)	12,282
<b>Restricted funds</b>				
Audio Project	550	(550)	-	-
Noorul Abaa	24,635	(24,691)	803	747
Tan-Jaz	8,884	(6,148)	(1,911)	825
Chanting	400	(1,758)	1,358	-
Mallouhi	5,000	-	-	5,000
John	<u>-</u>	<u>(888)</u>	<u>888</u>	<u>-</u>
	<u>39,469</u>	<u>(34,035)</u>	<u>1,138</u>	<u>6,572</u>
<b>TOTAL FUNDS</b>	<u>48,333</u>	<u>(29,479)</u>	<u>-</u>	<u>18,854</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

**7. MOVEMENT IN FUNDS - continued**

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

	Incoming resources \$	Resources expended \$	Movement in funds \$
<b>Unrestricted funds</b>			
General fund	16,198	(11,642)	4,556
<b>Restricted funds</b>			
Audio Project	-	(550)	(550)
Noorul Abaa	(1)	(24,690)	(24,691)
Tan-Jaz	9,332	(15,480)	(6,148)
Chanting	1,750	(3,508)	(1,758)
Mallouhi	22,000	(22,000)	-
John	136	(1,024)	(888)
	<u>33,217</u>	<u>(67,252)</u>	<u>(34,035)</u>
<b>TOTAL FUNDS</b>	<u>49,415</u>	<u>(78,894)</u>	<u>(29,479)</u>

**Comparatives for movement in funds**

	At 1.1.19 \$	Net movement in funds \$	At 31.12.19 \$
<b>Unrestricted funds</b>			
General fund	22,777	(13,913)	8,864
<b>Restricted funds</b>			
Library	1,015	(1,015)	-
Audio Project	17,089	(16,539)	550
Noorul Abaa	39,734	(15,099)	24,635
Tan-Jaz	-	8,884	8,884
Chanting	-	400	400
Mallouhi	-	5,000	5,000
	<u>57,838</u>	<u>(18,369)</u>	<u>39,469</u>
<b>TOTAL FUNDS</b>	<u>80,615</u>	<u>(32,282)</u>	<u>48,333</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

**7. MOVEMENT IN FUNDS - continued**

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

	Incoming resources \$	Resources expended \$	Movement in funds \$
<b>Unrestricted funds</b>			
General fund	15,933	(29,846)	(13,913)
<b>Restricted funds</b>			
Library	-	(1,015)	(1,015)
Audio Project	-	(16,539)	(16,539)
Noorul Abaa	119,275	(134,374)	(15,099)
Tan-Jaz	19,862	(10,978)	8,884
Chanting	15,400	(15,000)	400
Mallouhi	5,000	-	5,000
	<u>159,537</u>	<u>(177,906)</u>	<u>(18,369)</u>
<b>TOTAL FUNDS</b>	<u>175,470</u>	<u>(207,752)</u>	<u>(32,282)</u>

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

	At 1.1.19 \$	Net movement in funds \$	Transfers between funds \$	At 31.12.20 \$
<b>Unrestricted funds</b>				
General fund	22,777	(9,357)	(1,138)	12,282
<b>Restricted funds</b>				
Library	1,015	(1,015)	-	-
Audio Project	17,089	(17,089)	-	-
Noorul Abaa	39,734	(39,790)	803	747
Tan-Jaz	-	2,736	(1,911)	825
Chanting	-	(1,358)	1,358	-
Mallouhi	-	5,000	-	5,000
John	-	(888)	888	-
	<u>57,838</u>	<u>(52,404)</u>	<u>1,138</u>	<u>6,572</u>
<b>TOTAL FUNDS</b>	<u>80,615</u>	<u>(61,761)</u>	<u>-</u>	<u>18,854</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

**7. MOVEMENT IN FUNDS - continued**

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 \$
<b>Unrestricted funds</b>			
General fund	32,131	(41,488)	(9,357)
<b>Restricted funds</b>			
Library	-	(1,015)	(1,015)
Audio Project	-	(17,089)	(17,089)
Noorul Abaa	119,274	(159,064)	(39,790)
Tan-Jaz	29,194	(26,458)	2,736
Chanting	17,150	(18,508)	(1,358)
Mallouhi	27,000	(22,000)	5,000
John	136	(1,024)	(888)
	<u>192,754</u>	<u>(245,158)</u>	<u>(52,404)</u>
<b>TOTAL FUNDS</b>	<u>224,885</u>	<u>(286,646)</u>	<u>(61,761)</u>

**Library Project:** 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.

**Audio Project:** Funds received to record Scripture translations produced by Al Kalima.

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

**Tanara-Jazara:** Funds received for the translation of Scripture into N.African dialectal Arabic, and the production of audiovisual media from these texts.

**Chanting:** Funds received to produce audio clips of the Bible in a chanted style.

**Mallouhi:** Funds received for the personal support of our founder Mazhar Mallouhi.



**8. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 December 2020.

Detailed Statement of Financial Activities  
for the Year Ended 31 December 2020

	31.12.20 \$	31.12.19 \$
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Gifts	(1)	1
Donations	<u>47,598</u>	<u>172,845</u>
	47,597	172,846
<b>Other trading activities</b>		
Book Sales	<u>1,818</u>	<u>2,624</u>
<b>Total incoming resources</b>	49,415	175,470
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Website costs	134	253
<b>Charitable activities</b>		
Translation	22,824	11,614
Digital Media	1,160	4,918
Recording	8,500	31,500
Book Production	16,000	154,783
Travel/Freight	<u>1,363</u>	<u>309</u>
	49,847	203,124
<b>Support costs</b>		
<b>Management</b>		
Travel	-	490
Accountancy	3,401	3,259
Sundries	18	291
Professional Fees	<u>24,250</u>	<u>-</u>
	27,669	4,040
<b>Finance</b>		
Bank charges	<u>1,244</u>	<u>335</u>
Total resources expended	<u>78,894</u>	<u>207,752</u>
<b>Net expenditure</b>	<u>(29,479)</u>	<u>(32,282)</u>

This page does not form part of the statutory financial statements