

Al Kalima
(A Company Limited by Guarantee)

UNAUDITED REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023
CHARITY NUMBER: 1079965

REGISTERED COMPANY NUMBER: 03693242

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Al Kalima
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LEGAL AND ADMINISTRATIVE INFORMATION

31 DECEMBER 2023

TRUSTEES AND DIRECTORS:

Dr J B Evans
E J Greening
D Peters
M Tinawi

SECRETARY:

E J Greening

REGISTERED OFFICE:

7 Westbourne Gardens
Trowbridge
BA14 9AW

REGISTERED COMPANY NUMBER:

03693242 (England and Wales)

REGISTERED CHARITY NUMBER

1079965

INDEPENDENT EXAMINER:

Ginny Santer
Monetaire Accountants Limited
Sovereign House
22 Shelley Road
Worthing
BN11 1TU

REPORT OF THE TRUSTEES for the year ended 31 December 2023

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report and financial statements for the year ended 31 December 2023.

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 (FRS102) (effective 1 January 2019).

Structure, governance and management

The charity is a company limited by guarantee without a share capital. The limit of the members' liability under the terms of the company's Memorandum and Articles is £1.00 each.

Trustees meet at least quarterly to agree the broad strategy and areas of activity for the charity. The charity has no employees so the trustees share the responsibilities of fundraising and day-to-day administration. All trustees give of their time freely and no trustee received remuneration or expenses during the year. There are currently no formal induction or training programmes for directors.

Risk assessment and management

The trustees have considered the major risks to which the charity is exposed and seek to manage them on an ongoing basis.

Our major operational risk is the security situation in the Arab world, which sometimes hinders our ability to print and distribute books

Financially, the charity relies mainly on private donations and grants from funding partners for specific projects. Most of this funding comes from the USA.

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 and digital media.

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

The main activities of the charity in 2023 were printing books for distribution in Syria. There is a very active group of believers who have been giving out copies of True Meaning over the last few years. In the future we may look at publishing smaller Scripture portions to enable us to distribute more copies. Moreover, a smaller book will be more portable.

Our Luke Arabic/English diglot was published in India at the beginning of 2024, as print-on-demand. We would like to find ways of promoting this, through the participation of partners in the region. Al Kalima does not have the resources to expand distribution directly there.

Digital publishing has continued, both in standard Arabic, based on our True Meaning translation, and in Arabic dialects of North Africa through the Tanara-Jazara project.

We are glad to welcome Duncan Peters as a trustee. Duncan has been involved with ministry to Muslims and in publishing for several years and shares our goal of trying to build bridges of understanding. The board is actively looking for more new trustees. The charity is also reviewing its charitable objects with the purpose of better reflecting our aims and activities.

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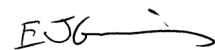
Financial review

Al Kalima has continued to benefit from the generosity of a small number of donors. The Seed Company has also continued funding of the Tanara-Jazara project, with additional funding from Ascend Partners. In order to pay general expenses, we have begun to deduct 10% from project gifts to cover administration. We anticipate conducting further fundraising for Syria distribution in 2024.

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 \$4,000 (US dollars) which is equivalent to three months' unrestricted expenditure.

Approved by the trustees and signed on its behalf by:



.....
Edmund Greening

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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 2023.

Responsibilities and basis of report

As the charity's trustees, of the Company (who are also the directors of the company 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 for this year 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 material matters have come to my attention which give me cause to believe that:

1. accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
2. the accounts do not accord with such records; or
3. the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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 Charities SORP (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.

Signed:



22 August 2024
Ginny Santer FCCA
Monetaire Accountants Limited
Sovereign House
22 Shelley Road
Worthing
West Sussex
BN11 1TU

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Statement of Financial Activities
for the year ended 31 December 2023

		Unrestricted	Restricted	2023 Total funds	2022 Total funds
	Notes	\$	\$	\$	\$
Income and endowments from					
Donations and legacies	2	7,647	62,825	70,472	159,096
Charitable activities	3	957	-	957	401
Total Incoming Resources		8,604	62,825	71,429	159,497
Expenditure on					
Charitable activities	4	14,811	79,249	94,060	138,022
Total expenditure		14,811	79,249	94,060	138,022
Net income/(expenditure)		(6,207)	(16,424)	(22,631)	21,475
Transfers between funds	10	48	(48)	-	-
Net movement in funds		(6,158)	(16,473)	(22,631)	21,475
Reconciliation of funds:					
Total funds brought forward		10,709	43,324	54,033	32,558
Net movement in funds		(6,158)	(16,473)	(22,631)	21,475
Total funds carried forward		4,551	26,851	31,402	54,033

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 9 to 14 form part of these accounts.

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Balance Sheet as at 31 December 2023

	Note	2023 \$	2022 \$
Fixed assets		—	—
Current assets			
Cash at bank and in hand	9	31,233	54,152
Accrued income		3,830	
Prepayments		1,035	
Creditors: amounts falling due within one year	8	(4,696)	(119)
Net current assets		31,402	54,033
Total assets less current liabilities		31,402	54,033
Net assets excluding pension asset		31,402	54,033
Total net assets		31,402	54,033
Charity funds			
Unrestricted funds	10	4,896	10,709
Restricted funds	10	26,506	43,324
Total funds		31,402	54,033

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies' regime.

The financial statements were approved for issue by the Trustees on:
and signed on their behalf by

.....

The notes on pages 9 to 14 form part of these accounts.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Al Kalima meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.4 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.5 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

1.6 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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1.7 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. Income from donations and legacies

	Unrestricted funds	Restricted funds	Total funds
	2023	2023	2023
	\$	\$	\$
Donations	7,647	62,825	70,472
	<u>7,647</u>	<u>62,825</u>	<u>70,472</u>
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total funds</i>
	2022	2022	2022
	\$	\$	\$
Donations	34,497	124,599	159,096
	<u>34,497</u>	<u>124,599</u>	<u>159,096</u>

3. Income from charitable activities

	Unrestricted funds	Restricted funds	Total funds
	2023	2023	2023
	\$	\$	\$
Income from charitable activities - Direct costs - Activities	957	-	957
	<u>957</u>	<u>-</u>	<u>957</u>
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total funds</i>
	2022	2022	2022
	\$	\$	\$
Income from charitable activities - Direct costs - Activities	401	-	401
	<u>401</u>	<u>-</u>	<u>401</u>

4. Analysis of expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total funds
	2023	2023	2023
	\$	\$	\$
Direct costs - Activities	14,811	79,249	94,060
	<u>14,811</u>	<u>79,249</u>	<u>94,060</u>
	2022	2022	2022
	\$	\$	\$
Direct costs - Activities	16,374	121,648	138,022
	<u>16,374</u>	<u>121,648</u>	<u>138,022</u>

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5. Analysis of expenditure by activities

	Activities undertaken directly 2023	Support costs 2023	Total funds 2023
	\$	\$	\$
Direct costs - Activities	77,324	16,735	94,060

	<i>Activities undertaken directly 2022</i>	<i>Support costs 2022</i>	<i>Total funds 2022</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>
Direct costs - Activities	124,049	13,973	138,022

6. Independent examiner's remuneration

	2023	2022
	\$	\$
Fees payable to the Company's independent examiner for the independent examination of the Company's annual accounts	796	-

7. Trustees' remuneration and expenses

During the year ended 31 December 2023 no trustees received any remuneration or benefits (2022 - £NIL).

During the year ended 31 December 2023 no trustee expenses have been incurred (2022 - £NIL).

8. Creditors: Amounts falling due within one year

	2023	2022
	\$	\$
Accruals and deferred income	4,696	119

9. Cash at bank and in hand

	2023	2022
	\$	\$
Financial assets		
Financial assets measured at fair value through income and expenditure	31,233	54,152

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10. Statement of funds

Statement of funds – current year

	Balance as at 1 January 2023	Income	Expenditure	Transfers in/out	Balance as at 31 December 2023
	\$	\$	\$	\$	\$
Unrestricted funds					
General funds	10,709	8,604	(13,989)	48	5,372
Restricted funds					
Chanting	-	8,000	(8,000)	-	-
Distribution	39,646	21,872	(45,463)	-	16,055
Tanara-Jazara	3,678	32,953	(26,131)	(48)	10,452
Total restricted	43,324	62,825	(79,594)	(48)	26,603
Total of funds	54,033	71,429	(93,583)	-	31,975

Statement of funds – prior year

	<i>Balance as at 1 January 2022</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance as at 31 December 2022</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
Unrestricted funds					
General funds – all funds	(7,391)	34,898	(16,374)	(424)	10,709
Restricted funds					
Restricted funds – all funds	39,949	124,599	(121,648)	424	43,324
Total of funds	32,558	159,497	(138,022)	-	54,033

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11. Description of funds

Chanting: Funds received to adapt Scripture passages into rhyming prose and make audio recordings of the same.

Distribution: Funds received to print and transport Scripture books for free distribution in certain Arab countries.

Tanara-Jazara: Funds received to translate Scripture into Tunisian and Algerian Arabic and to produce audio-visual materials from the translated portions.

12. Analysis of net assets between funds

Analysis of net assets between funds- current year

	Unrestricted funds	Restricted funds	Total funds
	2023	2023	2023
	\$	\$	\$
Current assets	4,896	30,406	35,302
Creditors due within one year	-	3,900	3,900
	<hr/>	<hr/>	<hr/>
Total of funds	4,896	26,506	31,402
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Analysis of net assets between funds- prior year

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total funds</i>
	2022	2022	2022
	\$	\$	\$
Current assets	10,709	43,443	54,152
Creditors due within one year	-	119	119
	<hr/>	<hr/>	<hr/>
Total	10,709	43,324	54,033
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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13. Reconciliation of net movement in funds to net cash flow from operating activities

	2023	2022
	\$	\$
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>(22,631)</u>	<u>21,475</u>
Adjustments for:		
Net cash provided by/(used in) operating activities	<u>(22,631)</u>	<u>21,475</u>

14. Analysis of cash and cash equivalents

	2023	2022
	\$	\$
Cash in hand	<u>31,233</u>	<u>54,152</u>
Total cash and cash equivalents	<u>31,233</u>	<u>54,152</u>

15. Analysis of changes in net debt

	At 1 January 2023	Cash inflows	At 31 December 2023
	\$	\$	\$
Cash at bank and in hand	<u>54,152</u>	<u>(22,919)</u>	<u>31,223</u>
Total of funds	<u>54,152</u>	<u>(22,919)</u>	<u>31,223</u>

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INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2023	2022	2022
	\$	\$	\$	\$
Income				
Donations	70,472		159,096	
Sales	<u>957</u>		<u>401</u>	
		71,429		159,497
		<u>71,429</u>		<u>159,497</u>
Gross income in the reporting period				
Less:				
Charitable Activities				
Translation	16,836		20,822	
Recording	8,535		1,079	
Digital media	2,783		704	
Book production	46,357		97,361	
Carriage	<u>2,815</u>		<u>4,083</u>	
		77,324		124,049
Support costs				
Travel	3,377		5,715	
Computer equipment	2,033		-	
Accountancy	796		-	
Consultancy	5,031		3,600	
Sundries	139		16	
Advertising	4,304		327	
Web hosting	<u>278</u>		<u>731</u>	
		15,957		10,389
Finance				
Bank charges	302		166	
Forex gains/losses	<u>477</u>		<u>3,418</u>	
		<u>778</u>		<u>3,584</u>
Total expenditure		<u>94,060</u>		<u>138,022</u>
		<u>(22,631)</u>		<u>21,475</u>
Net income/(expenditure) before taxation for the reporting period				
		<u>(22,631)</u>		<u>21,475</u>
Net income/(expenditure) for the reporting period		(22,631)		21,475

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Surplus/(deficit) for the reporting period	(22,631)	<i>21,475</i>
Surplus brought forward	54,033	<i>32,558</i>
	<hr/>	<hr/>
Surplus carried forward	<u><u>31,402</u></u>	<u><u>54,033</u></u>