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COMPANIES HOUSE

Charity Registration No. 1122086

Company Registration No. 06065201 (England and Wales)

**ISLAMIC RESEARCH FOUNDATION INTERNATIONAL**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2017**

# ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Dr Z A K Naik Mr A F S Mohamed M A Abbasi
<b>Charity number</b>	1122086
<b>Company number</b>	06065201
<b>Registered office</b>	Quadrant Court 47 Calthorpe Road Birmingham B15 1TH
<b>Auditor</b>	AMS Accountants Corporate Limited Chartered Accountants Statutory Auditor Queens Court 24 Queen Street Manchester M2 5HX

# ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

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# ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 JANUARY 2017

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The trustees present their report and accounts for the year ended 31 January 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's deed of trust, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

#### **Objectives and activities**

The charity's objects are the advancement of the faith and religious practices of Islam, religious and general education for the public benefit, the relief of poverty, sickness, distress and suffering of any persons who are in need. The charity currently has no restricted funding sources.

The main objective of the charity is to raise funds for the proper presentation, understanding and appreciation of Islam, as well as removing misconception about Islam.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The trust's principal activity is that of securing donations for the continuation of Peace TV in furthering the objectives of IRFI. Appeals are made through broadcasts on the Peace TV network, these direct donors to the IRFI website which will allow donations via credit or debit card. To facilitate greater numbers of donations the charity operates a 24/7 call centre.

The charity uses targeted marketing campaigns in the period of Ramadan, which results in a significant influx during the period.

During the year, the charity continued to fund the sustenance of visual broadcasting of the Peace TV channels which are dedicated to the dissemination of researched and accurate information about the Islamic faith by academics, orators and other religious scholars.

No charitable grants were made during this or the preceding financial year.

#### **Achievements and performance**

Appeals are made through television broadcasts which direct people to the IRFI website where donations can be made by credit/debit cards or to a 24/7 call centre. Additional donations are received by way of monthly standing orders from regular donors, bank transfers or cheque payments following donation drives.

#### **Financial review**

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

#### **Structure, governance and management**

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.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Dr Z A K Naik

Mr A F S Mohamed

Dr M A K Naik

(Resigned 18 February 2016)

# ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 JANUARY 2017**

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Mr A A M Gazdar	(Resigned 13 March 2016)
Mr N N M Noorani	(Resigned 24 February 2016)
M A Abbasi	
Dr M J H Qureshi	(Resigned 20 December 2016)

The power of appointing new Trustees and discharging existing Trustees shall be vested in Dr Zakir Abdul-Karim Naik, or his nominated successor.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

The following were related parties of the trust for this and the prior period:

The Trustees (as listed above)

Universal Broadcasting Corporation Limited

Club TV Limited

Lord Production Limited

### **Auditor**

AMS Accountants Corporate Limited were appointed auditors to the company, and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



**M A Abbasi**

Trustee

Dated: 2 August 2017

# **ISLAMIC RESEARCH FOUNDATION INTERNATIONAL**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 JANUARY 2017**

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The trustees, who are also the directors of Islamic Research Foundation International for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

# **ISLAMIC RESEARCH FOUNDATION INTERNATIONAL**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ISLAMIC RESEARCH FOUNDATION INTERNATIONAL**

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We have audited the accounts of Islamic Research Foundation International for the year ended 31 January 2017 set out on pages 6 to 12. 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.

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 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the statement of trustees' responsibilities set out on page 3, the trustees, who are also the directors of Islamic Research Foundation International for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on accounts.**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 January 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

# ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*AMS Accountants Corporate Ltd.*

for and on behalf of AMS Accountants Corporate Limited

2 August 2017

Chartered Accountants  
Statutory Auditor

Queens Court  
24 Queen Street  
Manchester  
M2 5HX



# ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 JANUARY 2017**

	Notes	2017 £	2016 £
<b><u>Income from:</u></b>			
Donations and legacies	3	919,684	951,356
<b><u>Expenditure on:</u></b>			
Charitable activities	4	888,241	1,005,848
Governance costs	8	18,369	26,896
<b>Total resources expended</b>		906,610	1,032,744
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		13,074	(81,388)
Fund balances at 1 February 2016		370,657	452,045
<b>Fund balances at 31 January 2017</b>		383,731	370,657

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

## BALANCE SHEET

AS AT 31 JANUARY 2017

	Notes	2017 £	£	2016 £	£
<b>Current assets</b>					
Debtors	11	96,615		54,062	
Cash at bank and in hand		292,516		321,995	
		<u>389,131</u>		<u>376,057</u>	
<b>Creditors: amounts falling due within one year</b>	12	(5,400)		(5,400)	
Net current assets			<u>383,731</u>		<u>370,657</u>
<b>Income funds</b>					
<u>Unrestricted funds</u>					
Designated funds	13	<u>383,731</u>		<u>370,657</u>	
			<u>383,731</u>		<u>370,657</u>
			<u>383,731</u>		<u>370,657</u>

The accounts were approved by the Trustees on 2 August 2017



M A Abbasi  
Trustee

Company Registration No. 06065201

# ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JANUARY 2017

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#### 1 Accounting policies

##### Charity information

Islamic Research Foundation International is a private company limited by guarantee incorporated in England and Wales. The registered office is Quadrant Court, 47 Calthorpe Road, Birmingham, B15 1TH.

##### 1.1 Accounting convention

The accounts have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

##### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

# ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

Expenditure is accounted for on the 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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued expenditure.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

# ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	2017	2016
	£	£
Donations and gifts	919,684	951,356

### 4 Charitable activities

	Payments made to support Peace TV	Other charitable payments	Total 2017	Total 2016
	£	£	£	£
Grant funding of activities (see note 5)	888,241	-	888,241	1,005,848

### 5 Grants payable

	Payments made to support Peace TV	Other charitable payments	Total	2016
	£	£	£	£
Grants to institutions:				
Other	888,241	-	888,241	1,005,848

### 6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 7 Employees

There were no employees during the year.

# ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

### 8 Governance costs

	2017	2016
	£	£
Other expenditure	18,369	26,896
	<u>18,369</u>	<u>26,896</u>
Bank Charges -	£8	
Sage Pay -	£570	
Sundry -	£109	
Audit Fee	£7,800	
Forex Euro -	(£1,517)	
Forex Dollar -	(£1,794)	
Postage -	£122	
Legal & Professional	£4,633	
TM Media	£6,099	
Heart Internet	£1,440	
OK Accountancy	£900	
Total:	<b>£18,370</b>	

### 9 Taxation

The charity is exempt from corporation tax on its charitable activities.

10 Financial instruments	2017	2016
	£	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	96,615	54,062
	<u>96,615</u>	<u>54,062</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	5,400	5,400
	<u>5,400</u>	<u>5,400</u>

### 11 Debtors

	2017	2016
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	96,615	54,062
	<u>96,615</u>	<u>54,062</u>

### 12 Creditors: amounts falling due within one year

	2017	2016
	£	£
Accruals and deferred income	5,400	5,400
	<u>5,400</u>	<u>5,400</u>

# ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2017

#### 13 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 February 2016	Movement in funds		Balance at 31 January 2017
	£	Inflow £	Outflow £	£
General fund	284,672	762,764	(766,725)	280,711
United Islamic Aid	85,985	157,010	(139,975)	103,020
	<u>370,657</u>	<u>919,774</u>	<u>(906,700)</u>	<u>383,731</u>

#### 14 Related party transactions

##### Transactions with related parties

During the year the charity entered into the following transactions with related parties:

By virtue of similar directorships and trustees Universal Broadcasting Corporation Limited is a related party of Islamic Research Foundation International. The following trustees are listed with companies house as also being directors of Universal Broadcasting Corporation Limited.

Dr Z A K Naik  
Dr A F S Mohamed  
Mr M A Abbasi

During the year, charitable donations of £888,241 (2016 - £994,848) were made to Universal Broadcasting Corporation Limited (UBCL); the company which holds the broadcasting licences for Peace TV.

Lord Production Ltd holds the licence to Peace TV English, a wholly owned subsidiary of UBCL.  
Club TV Ltd holds the licence to Peace TV Urdu, a wholly owned subsidiary of UBCL.