

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 2019



ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr Z A K Naik	
	M A Abbasi	
	Mr Wahab Ahmed	(Appointed 21 September 2018)
	Mr Zafar Khan	(Appointed 17 October 2018)
Charity number	1122086	
Company number	06065201	
Registered office	47 Calthorpe Road Birmingham B15 1TH	
Auditor	AMS Accountants Corporate Limited Floor 2 Statutory Auditor 9 Portland Street Manchester M1 3BE	

ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

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ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JANUARY 2019

The trustees present their report and financial statements for the year ended 31 January 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply 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)

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.

We have referred to the Charity Commission guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and activities they have set.

Charitable grants were made to Universal Broadcasting Corporation Limited totalling £561,369 in the year (2018: £779,775)

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.

The total income for the year of £518,259 (2018: £587,142), the main contributing factor to this is donations relating to the running of the charity

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 of £25,000 held in cash at any one time. 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 not been maintained during the year, but the Trustees have put in place steps to increase the levels of reserves and post year end this has exceeded £25,000 in line with the policy.

ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

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

FOR THE YEAR ENDED 31 JANUARY 2019

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.

All trustees and members of staff are involved with and responsible for the active management of risk within the charity. For this reason, whenever a risk or potential risk is identified this should be reported to the management immediately. At each risk meeting all existing risks will be reviewed to ensure their status is still appropriate. New risks will be fully assessed for their appropriateness as a risk as well as the risk's category, risk level, and action

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 and up to the date of signature of the financial statements were:

Dr Z A K Naik

M A Abbasi

Mr Wahab Ahmed

(Appointed 21 September 2018)

Mr Zafar Khan

(Appointed 17 October 2018)

The power of appointing new trustees and discharging existing trustees lies with the trustees.

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 charity promotes the correct understanding of the Islamic faith based on the holy Quran and Sahih Hadith, its main donors are from the Muslim community. In its work it does not discriminate based on religion, except where necessary and allowed by law. It will also not promote sectarianism (as opposed to expression of legitimate religious difference) or hostility to other religious communities.

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.

ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

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

FOR THE YEAR ENDED 31 JANUARY 2019

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: 28 October 2019

ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JANUARY 2019

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 financial statements, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 financial statements 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

Opinion

We have audited the financial statements of Islamic Research Foundation International (the 'charity') for the year ended 31 January 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 January 2019 and of its incoming resources and application of resources, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us 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 charity'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 our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 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
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

Auditor's responsibilities for the audit of the financial statements

Our 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 an auditor's report that includes our 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 our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



David Clegg (Senior Statutory Auditor)
for and on behalf of AMS Accountants Corporate Limited

28 October 2019

Chartered Accountants
Statutory Auditor

Floor 2
9 Portland Street
Manchester
M1 3BE

ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2019

		Unrestricted funds 2019 £	Total 2018 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	518,259	587,142
<u>Expenditure on:</u>			
Charitable activities	4	561,369	779,775
Governance costs	9	40,814	9,674
Total resources expended		602,183	789,449
Net expenditure for the year/ Net movement in funds		(83,924)	(202,307)
Fund balances at 1 February 2018		181,424	383,731
Fund balances at 31 January 2019		97,500	181,424

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 2019

	Notes	2019 £	£	2018 £	£
Current assets					
Debtors	12	105,356		100,062	
Cash at bank and in hand		2,344		91,562	
		<u>107,700</u>		<u>191,624</u>	
Creditors: amounts falling due within one year	13	(10,200)		(10,200)	
Net current assets			<u>97,500</u>		<u>181,424</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	14	<u>97,500</u>		<u>181,424</u>	
			<u>97,500</u>		<u>181,424</u>
			<u>97,500</u>		<u>181,424</u>

The financial statements were approved by the Trustees on 28 October 2019



M A Abbasi
Trustee

Company Registration No. 06065201

ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash absorbed by operations	16		(89,218)		(200,954)
Net cash used in investing activities			-		-
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(89,218)		(200,954)
Cash and cash equivalents at beginning of year			91,562		292,516
Cash and cash equivalents at end of year			<u>2,344</u>		<u>91,562</u>

ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2019

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 47 Calthorpe Road, Birmingham, B15 1TH.

1.1 Accounting convention

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, 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 financial statements.

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 financial statements.

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.

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 2019

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 2019

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

	Unrestricted funds	Total
	2019 £	2018 £
Donations and gifts	518,259	587,142
Donations and gifts		
Other	518,259	587,142
	518,259	587,142

All external fundraisers, individuals or organisations, will in line with charity regulatory guidelines have a fundraising contract and be required to adhere to our fundraising standards as outlined in this document.

4 Charitable activities

	2019 £	2018 £
Grant funding of activities (see note 5)	561,369	779,775

5 Grants payable

	2019 £	2018 £
Grants to institutions:		
Other	561,369	779,775

ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

6 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2019 £	2018 £
Audit of the annual accounts	8,500	8,500

7 Trustees

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

All Trustees must declare their interests, and any gifts or hospitality received in connection with their role in the Charity. There is no legal definition of what is an "interest". It is just a question of common sense whether circumstances are such that a Trustee has an interest.

8 Employees

Number of employees

The average monthly number of employees during the year was:

2019 Number	2018 Number
4	2

9 Governance costs

	2019 £	2018 £
Other expenditure	40,814	9,674

10 Taxation

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

11 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	105,356	100,062
Carrying amount of financial liabilities		
Measured at amortised cost	10,200	10,200

ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

12 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	105,356	100,062

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals and deferred income	10,200	10,200

14 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 2018 £	Movement in funds			Balance at 31 January 2019 £
		Inflow £	Outflow £	Transfers £	
General fund	220,111	85,921	(12,045)	(196,487)	97,500
United Islamic Aid	(38,687)	432,338	(590,138)	196,487	-
	181,424	518,259	(602,183)	-	97,500

15 Related party transactions

Transactions with related parties

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

ISLAMIC RESEARCH FOUNDATION INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

15 Related party transactions

(Continued)

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.

Mr M A Abbasi

During the year, charitable donations of £561,369 (2018 - £779,775) 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.

16 Cash generated from operations

	2019 £	2018 £
Deficit for the year	(83,924)	(202,307)
Movements in working capital:		
(Increase) in debtors	(5,294)	(3,447)
(Decrease)/increase in creditors	-	4,800
Cash absorbed by operations	(89,218)	(200,954)