

REGISTERED CHARITY NUMBER: 1083080

SALAFI BOOKSTORE AND ISLAMIC CENTRE

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

SALAFI BOOKSTORE AND ISLAMIC CENTRE

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Page
Trustee's Report	1
Independent Auditor's Report	9
Statement Of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes To The Financial Statements	15
Income & Expenditure Statement	21

SALAFI BOOKSTORE AND ISLAMIC CENTRE

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The Trustees present their report and audited financial statements of the charity for the year ended 30 September 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

CHARITY NUMBER: 1083080

REGISTERED ADDRESS 472 Coventry Road
Small Heath
Birmingham
B10 0UG

EXECUTIVE COMMITTEE CHAIRMAN Mr Nigel Andrew Francis

EXECUTIVE COMMITTEE SECRETARY Mr Amjad Rafiq

TRUSTEES Mr Amjad Rafiq
Mr Amjad Hussain
Mr Nigel Andrew Francis

ACCOUNTANTS/ AUDITORS MAT Global Limited
5 Highgate Business Centre
Highgate Road
Birmingham
B12 8EA

BANKERS Lloyds Bank

SALAFI BOOKSTORE AND ISLAMIC CENTRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2022

The Trustees present their annual report and audited financial statements for the year ended 30 September 2022 and confirm that they comply with the Charities Act 2011, the Trust Deed and the Charities SORP applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Administrative Information

Trustees who have served for the year ended 30 September 2022 were as follows:

Mr Amjad Rafiq	- Trustee
Mr Amjad Hussain	- Trustee
Mr Nigel Andrew Francis	- Trustee

1. Governance, Structure and Management

Governing Document

Salafi Bookstore and Islamic Centre was constituted as a Charitable Trust registered with Charity Commission on 30 October 2000 under the charity number 1083080. It is governed by a Trust Deed, dated 23rd July 1999, amended on 1st July 2019.

Organisational Structure

The trustees are appointed by a resolution of the trustees passed at a special meeting called under clause "D" of the Deed of Trust. The trustees are responsible for the following:

- The day to day running of the bookstore and online bookstore;
- Organising fundraising activities;
- Organising events for propagation of the goals of the charity;
- All administrative affairs connected to the charity.

2. Objectives and Activities

Our Aims

The objectives of the charity are set out in the Charity's Trust Deed and can be expressed as follows in slightly more detail:

- To publish books and leaflets to advance the understanding of the Salafi beliefs and practices
- To provide a bookstore in a safe and welcoming environment open to all religions and persuasions to come and learn Salafi beliefs and practices
- To advance the education of the community, in particular Muslims through the maintenance of educational establishments and mosques

- To advance the moderate pietist Salafi beliefs and practices that call to living alongside all people peacefully whilst maintaining one's faith
- To encourage good behavior and kind conduct between Muslims and non-Muslims
- To teach that following different religions should not lead to extremism or intolerance within communities
- Working with schools, colleges and universities to advance the understanding of Salafi beliefs and practices
- Enhance a sense of belonging and strengthen commitment to society and its betterment
- To educate Muslims and non-Muslims about the dangers of extremism and in particular violent/terrorist extremism that is not sanctioned in Islam in anyway, form or manner. In this regard we continuously produce leaflets, audio lectures and books that aim to educate and play a role in de-radicalisation
- To cooperate with local police [Counter Terrorism Unit] and the "Prevent Team" to help in countering extremist ideologies. In this regard one of our trustees delivered a lecture at the Police headquarters in Birmingham
- Empower the community to become aspiring, effective and productive members of the British society

Our objectives are set to reflect the Islamic Salafi faith and community aims. Each year our trustees review our objectives and activities to ensure they continue to reflect our aims. In carrying out this review the trustees have considered the Charity Commission's general guidance on public benefit.

Our aim remains to provide the community, Muslims and non-Muslims alike, the opportunity to learn about Salafi Islamic tenets, practices and worship.

Our ambition is to build the self confidence of the Muslims in their faith and through our efforts and activities help make our society peaceful, vibrant and harmonious.

Strategies

An important part of our strategy is community spiritual welfare and education. All our community activities including classes and seminars are advertised and we welcome the participation of all in our local community, Muslims and non-Muslims alike. All of our activities are free and supported by public donations.

3. Recruitment and Appointment of Trustees

The existing trustees are responsible for the recruitment of new trustees but in doing so the trustees seek the views and recommendations of both elders and young representation. The trustees believe this approach ensures the new trustees are respected members of the faith and community and to ensure that good relations are fostered between the charity and the people of the community that we serve.

In selecting new trustees, we seek to identify people who regularly attend events and functions organised by the charity and are willing to volunteer to help in our broader community work. Potential trustees are invited to attend trustees meetings as observers and are given more details of the charity's aims and activities and, if all agree, they are then proposed as new trustees at the subsequent trustees' meeting. This process allows due consideration of the person's eligibility, personal competence, specialist knowledge and skills.

Induction and Training of Trustees

Following appointment, new trustees are introduced to their new role and given copies of the Trust Deed and a guide to the policies and procedures adopted by our charity. A number of publications from the charities commission are also provided including the guidance on charities and public benefit and on the advancement of religion for the public benefit. This ensures that new trustees are aware of the scope of their responsibilities under the Charities Act. Initially, new trustees work with an existing trustee assisting on particular activities and projects run by the charity. After satisfactory feedback from existing trustees, they are then given the task of leading a particular activity or project, reporting progress at trustees meetings.

4. Achievements and Performance

We are pleased to report that considerable progress has been made on the construction and refurbishment work at the Aston Mosque in Birmingham. We anticipate that it will be fully functional for prayer and community services before the end of the year. Further details shall be provided in the next set of accounts. In the meantime we are grateful for the ongoing support of the local community in supporting this important endeavour.

Overseas Aid

We have raised funds to help poor and needy people throughout the year in Bangladesh, Pakistan and across Africa. We have included some images of work done overseas. We would like to thank everyone for participating in these efforts both here in the UK and locally.

Al-Ikhlaas Trust @ikhlaasTrust · 09/09/2022
[UPDATE] Flood Relief

Food ration packs & medicines have been distributed in:

Thatha among:
4 villages
65 families
470 persons

Next

Makli
3 villages
70 families
120 persons

Manjhana:
4 villages
187 families

ikhlaastrust.com/donations
salafibookstore.com/ikhlaas

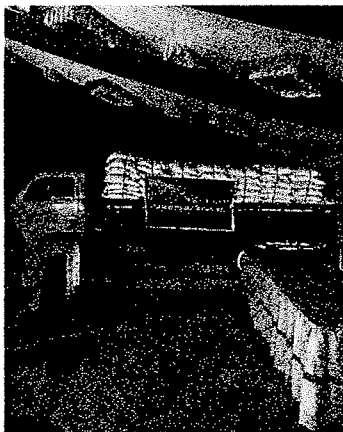
Pakistan 2022



Image: From our distribution efforts in Bangladesh 2017



50 76



ikhlaastrust.com/donations
salafibookstore.com/ikhlaas

Ref. Flood Relief

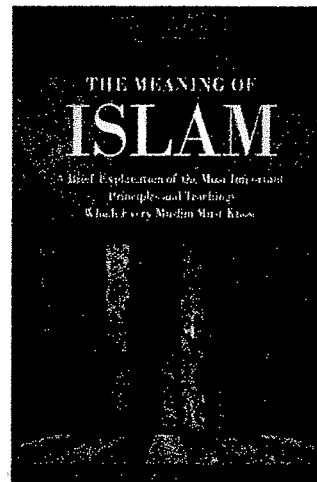
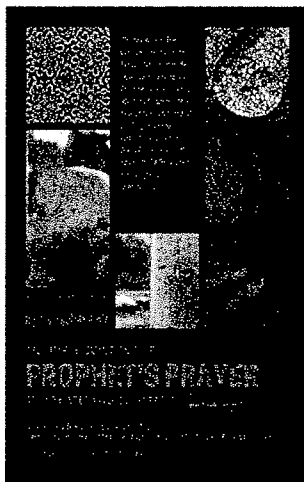


2 34 64

Hundreds and thousands of free leaflets have been produced by the charity and distributed. Here is a selection of them:



Additionally, we have several book publications that are sold through the physical bookstore and the online bookstore, again for the purpose of disseminating and understanding the Salafi doctrine.



POCKETSIZE

Several new publications were published during this year, and that is reflected on the Salafi Bookstore's website {www.salafibookstore.com} as well as in store.

5. Financial review

The trustees regularly review the reserves of the charity. Their policy is to hold enough funds to meet a minimum of three months operating costs of the charity excluding the depreciation and one off cost of major refurbishments/acquisitions. The net operating costs for the charity in the year ended 30 September 2022 after excluding depreciation provision of £10,244 (2021: £6,937) was £26,722 (2021: £19,258) per month. The charity has a combined bank and cash in hand reserves amounting to £629,898 (2021: £396,101).

The trustees reserves policy relating to its shop and publications operating costs is not only based on bank or cash reserves. It is also to ensure that the margin between shop sales and cost of sales is sufficient to provide enough surplus to keep up with its operating costs.

Principal funding sources

The charity's main source of income is through shop sales (Books and other products). In addition it also receives public donations which contribute towards fulfilling the aims and goals of the charity.

During the year total bookstore & publications income was £731,448 (2021: £447,352). Total donations raised during the year were £319,696 (2021: £361,339), these were general public donations.

The charity also received rental income of £31,596 (2021: £34,096) from sharing excess part of the premises, rented out to another non for profit organisation with similar objectives.

Due to the Covid-19 Pandemic, charity received government grants totalling £3,684 (2021: £51,930). This was due to closure of the shop in order to comply with the public lockdown. The above figure includes grants received towards job retention scheme and were expensed in full according to the scheme conditions.

6. Risk Management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

7. Trustee's Responsibilities in relation to the Financial Statements

The charity trustees are responsible for preparing an annual report and financial statements in accordance with applicable law of United Kingdom Accounting Standards (United Kingdom Generally Accepted Practice).

The law applicable to charities in England and Wales require the charity trustees to prepare financial statements for each period which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the method and principles in the charities SORP (FRS 102)
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011 and SORP (FRS 102). They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.


The trustees for the purposes of charity law who served during the period up to the date of this report are set out on page 2.

This report has been prepared in accordance with the Charities Act 2011, the Trust Deed and the Charities SORP applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK & Republic of Ireland (FRS 102).

Appointment of Auditors

MAT Global Limited has been appointed as Auditor in accordance with Section 144 of the Charities Act 2011.

Approved on 25 September 2023 by the trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Nigel Andrew Francis', is written over a horizontal line.

Mr Nigel Andrew Francis Trustee

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
SALAFI BOOKSTORE AND ISLAMIC CENTRE
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Opinion

We have audited the financial statements of Salafi Bookstore and Islamic Centre ('the charity') for the year ended 30 September 2022 which comprise the Statement of Financial Activities, Balance Sheet, Cashflow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 30 September 2022 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 Charities Act 2011.

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

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 7-8, the trustees 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our commercial knowledge and experience of the Islamic religious sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Charities Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence and
- identified laws and regulations which were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit. We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

MAT Global Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor under Section 144 of the Charities Act.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and the regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Dated: 25 September 2023



Mohammed Shabir (*Senior Statutory Auditor*)
MAT Global Limited
5 Highgate Business Centre
Highgate Road
Birmingham
B12 8EA

SALAFI BOOKSTORE AND ISLAMIC CENTRE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

<u>Incoming Resources</u>	Notes	Restricted Funds £	Unrestricted Funds £	TOTAL Funds 2022 £	TOTAL Funds 2021 £
Incoming Resources from generating funds:					
Donations, legacies and similar	2	-	319,696	319,696	361,339
Incoming Resources from Charitable activities	3	-	731,448	731,448	447,352
Incoming Resources from Rental Income	3	-	31,596	31,596	34,096
Government Grant	3	3,684	-	3,684	51,930
TOTAL INCOMING RESOURCES		3,684	1,082,740	1,086,424	894,717
<u>Resources Expended</u>					
Costs of Generating funds	4	-	147,910	147,910	100,125
Charitable Activities	5	3,684	765,960	769,644	656,324
Governance Costs	6	-	14,733	14,733	7,005
TOTAL RESOURCES EXPENDED		3,684	928,603	932,287	763,454
OTHER RECOGNISED GAINS/(LOSSES):					
Gains on revaluation of fixed assets for the charity's own use		-	-	-	-
NET MOVEMENT IN FUNDS		-	154,137	154,137	131,263
<u>RECONCILIATION OF FUNDS</u>					
TOTAL FUNDS Brought forward		-	1,380,725	1,380,725	1,249,462
TOTAL FUNDS Carried forward		-	1,534,862	1,534,862	1,380,725

SALAFI BOOKSTORE AND ISLAMIC CENTRE

BALANCE SHEET AS AT 30 SEPTEMBER 2022

	Notes	2022		2021	
	11	£	£	£	£
<u>FIXED ASSETS</u>					
Freehold Property & Improvements			816,418		821,309
Equipment			5,575		4,464
Plant & Machinery			8,250		-
Fixtures & Fittings			2,236		1,672
			<u>832,479</u>		<u>827,445</u>
<u>CURRENT ASSETS</u>					
Stock	12	26,748		57,890	
Debtors	13	59,155		106,095	
Cash & Bank Account Balances		629,898		396,101	
		<u>715,801</u>		<u>560,086</u>	
<u>LESS CREDITORS:</u> Amounts					
Falling Due Within One Year	14	(13,418)		(6,806)	
NET CURRENT (LIABILITIES) ASSETS					
			<u>702,383</u>		<u>553,280</u>
			<u>1,534,862</u>		<u>1,380,725</u>
<u>LESS CREDITORS:</u> Amounts Falling					
Due after more than One Year	15		-		-
TOTAL ASSETS LESS TOTAL LIABILITIES			<u><u>1,534,862</u></u>		<u><u>1,380,725</u></u>
<u>THE FUNDS OF THE CHARITY:</u>					
<u>Unrestricted Funds</u>					
General/ Designated Purpose Funds B/Fwd	17	1,380,725		1,249,462	
General Purpose Funds For The Year		154,137		131,263	
Designated Purpose Funds For The Year		-		-	
			<u>1,534,862</u>		<u>1,380,725</u>
<u>Restricted Funds</u>					
Specific Funds B/fwd		NIL		NIL	
Specific Funds For the Period		NIL		NIL	
TOTAL CHARITY FUNDS			<u><u>NIL</u></u>		<u><u>NIL</u></u>
			<u><u>1,534,862</u></u>		<u><u>1,380,725</u></u>

The notes at pages 15 to 20 form part of these accounts.

The financial statements were approved by the Board of Trustees on 25 September 2023 and were signed on its behalf by:


Mr Nigel Andrew Francis Trustee

SALAFI BOOKSTORE AND ISLAMIC CENTRE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022	2021
		£	£
Net cash used in operating activities	18	217,479	98,719
Cash flows from investing activities:			
Rental income		31,596	34,096
Purchase of tangible assets		(15,278)	(7,384)
Net cash provided by investing activities		16,318	26,712
Cash flows from financing activities:			
Receipt/ (Payment) of finance		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		233,797	125,431
Cash and cash equivalents brought forward		396,101	270,670
Cash and cash equivalents carried forward		629,898	396,101

SALAFI BOOKSTORE AND ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting Policies

(a) Basis of Preparation

The accounts (financial statements) have been prepared under the historic cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

(b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing that accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

(c) Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have set aside resources for a specific purpose.

(d) Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of donations, grants and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Incoming resources from grants, where there are performance or service deliverables required by the terms of the grant, are accounted for as the charity earns the right to payment through its performance.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services donated by volunteers has not been included in these accounts, except where the services provided are in the nature of professional services where a fee would otherwise be charged, in which case the donated service is valued at their chargeable rate.
- Investment income is included when receivable.
- Income from charitable trading activity is accounted for when earned.

Tax reclaims on donations and gifts

Incoming resources from tax claims are included in the SOFA at the same time as the gift to which they relate, to the extent that tax recoverability is certain.

Incoming resources from fund raising

These are reported gross in the SOFA.

Gifts in kind for sale or distribution

These are included in the accounts as gifts only when sold or distributed by the charity. Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.

Gifts in kind for use by the charity

These are included in the SOFA as incoming resources when receivable.

SALAFI BOOKSTORE AND ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

Intangible income (e.g. donated facilities)

This is only included in the accounts when the benefit received is actually quantifiable, receivable and material, and the cost is being borne by a third party. When included it is valued at the lower of the cost borne by the third party, and the reasonable estimate of the value to the charity.

(e) Expenditure Recognition

Liabilities are recognised as resources are expended as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probably that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

(f) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

(g) Allocation of overhead and support costs

Support costs include administration office functions and have been allocated to activity cost categories on a basis consistent with the use of resources, allocating property costs on floor areas, staff costs by the time spent and other costs on a measure of usage.

(h) Costs of generating funds

Costs of generating funds are those costs incurred in attracting voluntary income, or incurred in trading activities undertaken to raise funds.

(i) Tangible Fixed Assets (Dépreciation)

These are only capitalised when they can be used for more than a year and cost more than £250. They are valued at cost or a reasonable value on receipt. The charity does not have a policy of revaluation. Depreciation is charged as follows:

- Plant & Machinery	25% at reducing balance basis
- Equipment	25% at reducing balance basis
- Fixtures & Fittings	25% at reducing balance basis
- Buildings	2% straight line basis
- Land	Nil

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the reducing balance method.

(j) Pensions

Employees of the charity are entitled to join a defined contribution "Nest Pension" scheme. The charity contribution is restricted to the minimum contributions defined by the regulatory body "Pension Regulator". The costs of the defined contribution scheme are included within charitable activities, shop (faith and worship) costs and charges to the unrestricted funds of the charity.

(k) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell. At each reporting date, stocks are assessed for indicators of impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to sell. The impairment loss is recognised in the profit and loss account.

(l) Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any impairment.

(m) Cash and cash equivalents

Cash is represented by cash on hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments which mature in no more than three months from the date of acquisition and which are readily convertible into known amounts of cash with insignificant risk of change in value. In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts which are repayable on demand and form an integral part of the Trust's cash management.

(n) Creditors

Short-term creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction and are subsequently measured at amortised cost using the effective interest method.

SALAFI BOOKSTORE AND ISLAMIC CENTRE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Incoming Resources from Voluntary Income

	Restricted Funds £	Unrestricted Funds £	TOTAL 2022 £	TOTAL 2021 £
Donations - General	-	319,696	319,696	361,339
Donations - Restricted	-	-	-	-
	<u>-</u>	<u>319,696</u>	<u>319,696</u>	<u>361,339</u>

3. Incoming Resources from charitable Activities

	Restricted Funds £	Unrestricted Funds £	TOTAL 2022 £	TOTAL 2021 £
<u>Funds from Shop Activities</u>				
Shop Sales & Publications	-	731,448	731,448	447,352
	<u>-</u>	<u>731,448</u>	<u>731,448</u>	<u>447,352</u>

Incoming Resources from Other Resources

	Restricted Funds £	Unrestricted Funds £	TOTAL 2022 £	TOTAL 2021 £
Rental Income	-	31,596	31,596	34,096
Government Grant	3,684	-	3,684	51,930
	<u>3,684</u>	<u>31,596</u>	<u>35,280</u>	<u>86,026</u>

	Restricted Funds £	Unrestricted Funds £	Unrestricted Support Costs £	Total 2022 £	Total 2021 £
4. Cost of Generating Funds					
Support Costs	-	-	147,910	147,910	100,125

5. Charitable activities

Shop (Faith and worship):					
Shop & Mosque	3,684	478,753	-	482,437	398,574
Community activities:					
Donations & Conference Costs	-	287,207	-	287,207	257,750
Total charitable activities	<u>3,684</u>	<u>765,960</u>	<u>-</u>	<u>769,644</u>	<u>656,324</u>

6. Governance costs	<u>-</u>	<u>14,733</u>	<u>-</u>	<u>14,733</u>	<u>7,005</u>
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SALAFI BOOKSTORE AND ISLAMIC CENTRE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

7. Support Costs

	Cost of Generating Funds £	Premises £	Sundry £	Governance £	Total 2022 £	Total 2021 £
Rent, Rates & Utilities	-	118,174	-	-	118,174	82,479
Waste Collection	-	2,822	-	-	2,822	3,005
Office Costs	11,692	-	-	-	11,692	5,272
Bank Charges	4,772	-	-	-	4,772	1,887
Travel	206	-	-	-	206	545
Depreciation	10,244	-	-	-	10,244	6,937
	<u>26,914</u>	<u>120,996</u>	<u>-</u>	<u>-</u>	<u>147,910</u>	<u>100,125</u>

8. Corporation tax

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

9. Net incoming/(outgoing) resources for the period are stated after charging (crediting) the following:

	2022 £	2021 £
Auditors remuneration	7,000	-
Depreciation	10,244	6,937
	<u>17,244</u>	<u>6,937</u>

10. Staff costs

	2022 £	2021 £
Wages and salaries	149,460	118,607
Social security costs	12,142	8,135
	<u>161,602</u>	<u>126,742</u>

Average number of employees for the period	13	11
	<u>13</u>	<u>11</u>

No employees were paid more than £60,000.

SALAFI BOOKSTORE AND ISLAMIC CENTRE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

11. FIXED ASSETS

	Land & Building £	Plant & Machinery £	Equipment £	Fixtures & Fittings £	Total £
<u>COST</u>					
As At 1 October 2021	862,882	-	16,784	20,988	900,654
Additions	-	11,000	2,969	1,309	15,278
Revaluation	-	-	-	-	-
As At 30 September 2022	862,882	11,000	19,753	22,297	915,932
<u>DEPRECIATION</u>					
As At 1 October 2021	41,573	-	12,320	19,316	73,209
Charge For The Year	4,891	2,750	1,858	745	10,244
As At 30 September 2022	46,464	2,750	14,178	20,061	83,453
<u>NET BOOK VALUES</u>					
AS AT 30 September 2022	816,418	8,250	5,575	2,236	832,479
AS AT 30 September 2021	821,309	-	4,464	1,672	827,445

12. STOCK

	2022 £	2021 £
Goods for resale	26,748	57,890

13. DEBTORS

	2022 £	2021 £
Trade Debtors & Prepayments	-	32,400
Other Debtors	59,155	73,695
	59,155	106,095

Other Debtors include payments to non for profit organisations with similar objectives.

14. CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Trade Creditors	9,796	3,541
Taxation & Social Security Costs	3,622	-
Other Creditors	-	3,265
	13,418	6,806

15. CREDITORS: Amounts falling due after one year

	2022 £	2021 £
Other Creditors	-	-
	-	-

16. Contingent Liabilities

Except as reflected in the Financial Statements, there were no Contingent Liabilities at 30 September 2022 (2021: £NIL)

SALAFI BOOKSTORE AND ISLAMIC CENTRE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

17. Reserves	2022	2021
	£	£
As At 1 October 2021	1,380,725	1,249,462
Net Surplus for the period	<u>154,137</u>	<u>131,263</u>
As At 30 September 2022	<u>1,534,862</u>	<u>1,380,725</u>

Included within the reserves of £1,534,862 (2021: £1,380,725) is an amount of £832,479 (2021: £827,445) relating to fixed assets.

18. Reconciliation of net movement in funds to net cash flow from operation activities

	2022	2021
	£	£
Net movement in funds	154,137	131,263
Add back depreciation charge	10,244	6,937
Deduct depreciation on disposed off asset	-	-
Add back loss on disposal of assets	-	-
Decrease/ (Increase) in stock	31,142	(6,407)
Deduct income shown in investing activities	(31,596)	(34,096)
Add loss on revaluation of assets	-	-
Decrease/ (Increase) in debtors	46,940	(420)
Increase/ (Decrease) in creditors	6,612	1,442
Deduct short-term loan shown in financing activities	-	-
Net cash used in operating activities	<u>217,479</u>	<u>98,719</u>

19. Related party transactions

There are no transactions to report for Trustees.

SALAFI BOOKSTORE AND ISLAMIC CENTRE

**INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Restricted Funds £	Unrestricted Funds £	Total 2022 £	Total 2021 £
<u>INCOME</u>				
Bookstore & Publications	-	731,448	731,448	447,352
Donations - General	-	319,696	319,696	361,339
Rental Income	-	31,596	31,596	34,096
Government Grant	3,684	-	3,684	51,930
	<u>3,684</u>	<u>1,082,740</u>	<u>1,086,424</u>	<u>894,717</u>
<u>Expenditure</u>				
<u>Bookstore & Publications</u>				
Opening Stock	-	57,890	57,890	51,483
Purchases/ Direct Costs	-	283,025	283,025	274,081
Closing Stock	-	(26,748)	(26,748)	(57,890)
	<u>-</u>	<u>314,167</u>	<u>314,167</u>	<u>267,674</u>
<u>Charitable Expenditure</u>				
Overseas Aid Projects	-	266,026	266,026	247,337
Educational Conferences	-	21,181	21,181	10,413
	<u>-</u>	<u>287,207</u>	<u>287,207</u>	<u>257,750</u>
<u>Operating & Administration Expenditure</u>				
Wages, Social Security & Pension	3,684	157,918	161,602	126,742
Rent, Rates, Water & Insurance	-	78,309	78,309	70,116
Heat & Light	-	39,865	39,865	12,363
Telephone & Internet	-	1,474	1,474	2,005
Stationery, Postage & IT Costs	-	5,032	5,032	3,629
Travel Costs	-	206	206	545
Waste Collection	-	2,822	2,822	3,005
Office Costs	-	10,218	10,218	3,267
Advertising	-	1,636	1,636	529
Bank Charges	-	4,772	4,772	1,887
Depreciation	-	10,244	10,244	6,937
	<u>3,684</u>	<u>312,496</u>	<u>316,180</u>	<u>231,025</u>
<u>Governance</u>				
Book-Keeping, Accountancy & Audit	-	13,250	13,250	6,000
Legal & Professional Fees	-	1,483	1,483	1,005
Trustees' Travel Expenses	-	-	-	-
	<u>-</u>	<u>14,733</u>	<u>14,733</u>	<u>7,005</u>
TOTAL EXPENDITURE	<u>3,684</u>	<u>928,603</u>	<u>932,287</u>	<u>763,454</u>
EXCESS INCOME OVER EXPENDITURE	<u>-</u>	<u>154,137</u>	<u>154,137</u>	<u>131,263</u>