

REGISTERED CHARITY NUMBER: 1083080

SALAFI BOOKSTORE AND ISLAMIC CENTRE

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

SALAFI BOOKSTORE AND ISLAMIC CENTRE

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FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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SALAFI BOOKSTORE AND ISLAMIC CENTRE

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The Trustees present their report and audited financial statements of the charity for the year ended 30 September 2023.

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 2023

The Trustees present their annual report and audited financial statements for the year ended 30 September 2023 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 2023 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 on the substantial completion of the construction and refurbishment work at the Aston Mosque in Birmingham. It is now functional and regular prayers are held and community services delivered.

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

Manjhund:
4 villages
187 families

ikhlaastrust.com/donations
salafibookstore.com/ikhlaas

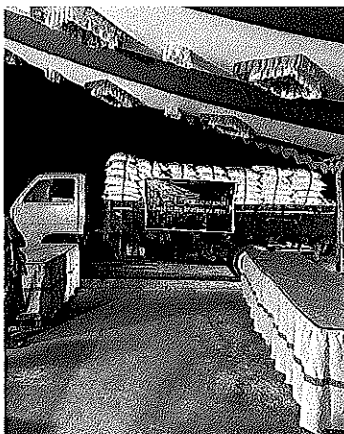
Pakistan 2022



Image: From our distribution efforts in Bangladesh 2017



50 76



ikhlaastrust.com/donations
salafibookstore.com/ikhlaas

Ref. Flood Relief

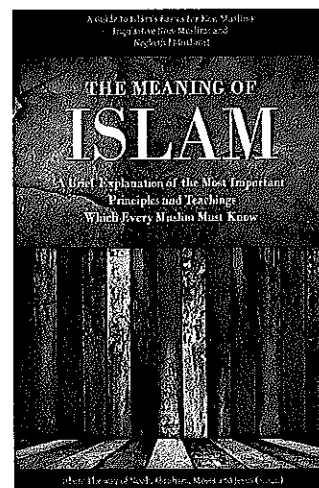
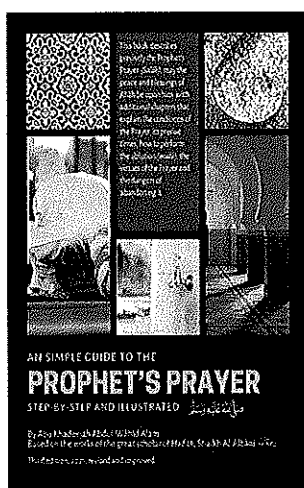
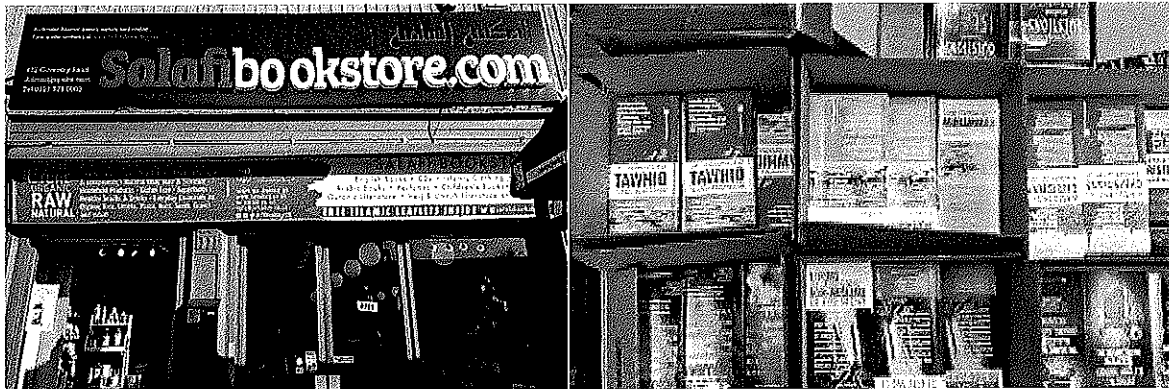


2 34 64

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 2023 after excluding depreciation provision of £8,907 (2022: £10,244) was £29,361 (2022: £26,722) per month. The charity has a combined bank and cash in hand reserves amounting to £950,932 (2022: £629,898).

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 £826,148 (2022: £731,448). Total donations raised during the year were £427,058 (2022: £319,696), these were general public donations.

The charity also received rental income of £31,596 (2022: £31,596) from sharing excess part of the premises, rented out to another non for profit organisation with similar objectives.

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 29 July 2024 by the trustees and signed on their behalf by:



Mr Nigel Andrew Francis Trustee

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
SALAFI BOOKSTORE AND ISLAMIC CENTRE
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Opinion

We have audited the financial statements of Salafi Bookstore and Islamic Centre ('the charity') for the year ended 30 September 2023 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 2023 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;

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: 29 July 2024



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 2023**

<u>Incoming Resources</u>	Notes	Restricted Funds £	Unrestricted Funds £	TOTAL Funds 2023 £	TOTAL Funds 2022 £
Incoming Resources from generating funds:					
Donations, legacies and similar	2	-	427,058	427,058	319,696
Incoming Resources from Charitable activities	3	-	826,148	826,148	731,448
Incoming Resources from Rental Income	3	-	31,596	31,596	31,596
Government Grant	3	-	-	-	3,684
TOTAL INCOMING RESOURCES		-	1,284,802	1,284,802	1,086,424
<u>Resources Expended</u>					
Costs of Generating funds	4	-	143,142	143,142	147,910
Charitable Activities	5	-	696,476	696,476	769,644
Governance Costs	6	-	17,260	17,260	14,733
TOTAL RESOURCES EXPENDED		-	856,878	856,878	932,287
OTHER RECOGNISED GAINS/(LOSSES):					
Gains on revaluation of fixed assets for the charity's own use		-	-	-	-
NET MOVEMENT IN FUNDS		-	427,924	427,924	154,137
<u>RECONCILIATION OF FUNDS</u>					
TOTAL FUNDS Brought forward		-	1,534,862	1,534,862	1,380,725
TOTAL FUNDS Carried forward		-	1,962,786	1,962,786	1,534,862

SALAFI BOOKSTORE AND ISLAMIC CENTRE

BALANCE SHEET AS AT 30 SEPTEMBER 2023

	Notes	2023	2022
	11	£	£
<u>FIXED ASSETS</u>			
Freehold Property & Improvements		811,527	816,418
Equipment		4,181	5,575
Plant & Machinery		6,187	8,250
Fixtures & Fittings		1,677	2,236
		<u>823,572</u>	<u>832,479</u>
<u>CURRENT ASSETS</u>			
Stock	12	161,430	26,748
Debtors	13	50,063	59,155
Cash & Bank Account Balances		950,932	629,898
		<u>1,162,425</u>	<u>715,801</u>
<u>LESS CREDITORS: Amounts</u>			
Falling Due Within One Year	14	<u>(23,211)</u>	<u>(13,418)</u>
NET CURRENT (LIABILITIES) ASSETS			
		<u>1,139,214</u>	<u>702,383</u>
		<u>1,962,786</u>	<u>1,534,862</u>
<u>LESS CREDITORS: Amounts Falling</u>			
Due after more than One Year	15	<u>-</u>	<u>-</u>
TOTAL ASSETS LESS TOTAL LIABILITIES		<u><u>1,962,786</u></u>	<u><u>1,534,862</u></u>
<u>THE FUNDS OF THE CHARITY:</u>			
<u>Unrestricted Funds</u>			
General/ Designated Purpose Funds B/Fwd	17	1,534,862	1,380,725
General Purpose Funds For The Year		427,924	154,137
Designated Purpose Funds For The Year		<u>-</u>	<u>-</u>
		<u>1,962,786</u>	<u>1,534,862</u>
<u>Restricted Funds</u>			
Specific Funds B/fwd		NIL	NIL
Specific Funds For the Period		<u>NIL</u>	<u>NIL</u>
TOTAL CHARITY FUNDS		<u><u>1,962,786</u></u>	<u><u>1,534,862</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 29 July 2024 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 2023

	Notes	2023	2022
		£	£
Net cash used in operating activities	18	289,438	217,479
Cash flows from investing activities:			
Rental income		31,596	31,596
Purchase of tangible assets		-	(15,278)
Net cash provided by investing activities		31,596	16,318
Cash flows from financing activities:			
Receipt/ (Payment) of finance		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		321,034	233,797
Cash and cash equivalents brought forward		629,898	396,101
Cash and cash equivalents carried forward		950,932	629,898

SALAFI BOOKSTORE AND ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

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 the 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 2023

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.

(c) 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 probable 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 (Depreciation)

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 2023**

2. Incoming Resources from Voluntary Income

	Restricted Funds £	Unrestricted Funds £	TOTAL 2023 £	TOTAL 2022 £
Donations - General	-	427,058	427,058	319,696
Donations - Restricted	-	-	-	-
	-	427,058	427,058	319,696

3. Incoming Resources from charitable Activities

	Restricted Funds £	Unrestricted Funds £	TOTAL 2023 £	TOTAL 2022 £
<u>Funds from Shop Activities</u>				
Shop Sales & Publications	-	826,148	826,148	731,448
	-	826,148	826,148	731,448

Incoming Resources from Other Resources

	Restricted Funds £	Unrestricted Funds £	TOTAL 2023 £	TOTAL 2022 £
Rental Income	-	31,596	31,596	31,596
Government Grant	-	-	-	3,684
	-	31,596	31,596	35,280

4. Cost of Generating Funds

	Restricted Funds £	Unrestricted Funds £	Unrestricted Support Costs £	Total 2023 £	Total 2022 £
Support Costs	-	-	143,142	143,142	147,910

5. Charitable activities

Shop (Faith and worship):

Shop & Mosque	-	413,893	-	413,893	482,437
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Community activities:

Donations & Conference Costs	-	282,583	-	282,583	287,207
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Total charitable activities

	-	696,476	-	696,476	769,644
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6. Governance costs

	-	17,260	-	17,260	14,733
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SALAFI BOOKSTORE AND ISLAMIC CENTRE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

7. Support Costs

	Cost of Generating Funds £	Premises £	Sundry £	Governance £	Total 2023 £	Total 2022 £
Rent, Rates & Utilities	-	109,288	-	-	109,288	118,174
Waste Collection	-	3,154	-	-	3,154	2,822
Office Costs	12,086	-	-	-	12,086	11,692
Bank Charges	6,636	-	-	-	6,636	4,772
Travel	3,071	-	-	-	3,071	206
Depreciation	8,907	-	-	-	8,907	10,244
	30,700	112,442	-	-	143,142	147,910

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:

	2023 £	2022 £
Auditors remuneration	7,000	7,000
Depreciation	8,907	10,244
	15,907	17,244

10. Staff costs

	2023 £	2022 £
Wages and salaries	171,506	149,460
Social security costs	11,816	12,142
	183,322	161,602

Average number of employees for the period	14	13
	14	13

No employees were paid more than £60,000.

SALAFI BOOKSTORE AND ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

11. FIXED ASSETS

	Land & Building £	Plant & Machinery £	Equipment £	Fixtures & Fittings £	Total £
<u>COST</u>					
As At 1 October 2022	862,882	11,000	19,753	22,297	915,932
Additions	-	-	-	-	-
Revaluation	-	-	-	-	-
As At 30 September 2023	862,882	11,000	19,753	22,297	915,932
<u>DEPRECIATION</u>					
As At 1 October 2022	46,464	2,750	14,178	20,061	83,453
Charge For The Year	4,891	2,063	1,394	559	8,907
As At 30 September 2023	51,355	4,813	15,572	20,620	92,360
<u>NET BOOK VALUES</u>					
AS AT 30 September 2023	811,527	6,187	4,181	1,677	823,572
AS AT 30 September 2022	816,418	8,250	5,575	2,236	832,479

12. STOCK

	2023 £	2022 £
Goods for resale	161,430	26,748

13. DEBTORS

	2023 £	2022 £
Trade Debtors & Prepayments	-	-
Other Debtors	50,063	59,155
	<u>50,063</u>	<u>59,155</u>

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

14. CREDITORS: Amounts falling due within one year

	2023 £	2022 £
Trade Creditors	5,028	9,796
Taxation & Social Security Costs	17,516	3,622
Other Creditors	667	-
	<u>23,211</u>	<u>13,418</u>

15. CREDITORS: Amounts falling due after one year

	2023 £	2022 £
Other Creditors	-	-
	<u>-</u>	<u>-</u>

16. Contingent Liabilities

Except as reflected in the Financial Statements, there were no Contingent Liabilities at 30 September 2023 (2022: £NIL)

SALAFI BOOKSTORE AND ISLAMIC CENTRE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

17. Reserves	2023	2022
	£	£
As At 1 October 2022	1,534,862	1,380,725
Net Surplus for the period	427,924	154,137
As At 30 September 2023	<u>1,962,786</u>	<u>1,534,862</u>

Included within the reserves of £1,957,121 (2022: £1,534,862) is an amount of £823,572 (2022: £832,479) relating to fixed assets.

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

	2023	2022
	£	£
Net movement in funds	427,924	154,137
Add back depreciation charge	8,907	10,244
Deduct depreciation on disposed off asset	-	-
Add back loss on disposal of assets	-	-
Decrease/ (Increase) in stock	(134,682)	31,142
Deduct income shown in investing activities	(31,596)	(31,596)
Add loss on revaluation of assets	-	-
Decrease/ (Increase) in debtors	9,092	46,940
Increase/ (Decrease) in creditors	9,793	6,612
Deduct short-term loan shown in financing activities	-	-
Net cash used in operating activities	<u>289,438</u>	<u>217,479</u>

19. Related party transactions

During the year, Mr Amjad Rafiq was paid £275 out of pocket expenses.

SALAFI BOOKSTORE AND ISLAMIC CENTRE

**INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Restricted Funds £	Unrestricted Funds £	Total 2023 £	Total 2022 £
<u>INCOME</u>				
Bookstore & Publications	-	826,148	826,148	731,448
Donations - General	-	427,058	427,058	319,696
Rental Income	-	31,596	31,596	31,596
Government Grant	-	-	-	3,684
	-	1,284,802	1,284,802	1,086,424
<u>Expenditure</u>				
<u>Bookstore & Publications</u>				
Opening Stock	-	26,748	26,748	57,890
Purchases/ Direct Costs	-	347,736	347,736	283,025
Closing Stock	-	(161,430)	(161,430)	(26,748)
	-	213,054	213,054	314,167
<u>Charitable Expenditure</u>				
Overseas Aid Projects	-	183,545	183,545	266,026
Educational Conferences/ Projects	-	99,038	99,038	21,181
	-	282,583	282,583	287,207
<u>Operating & Administration Expenditure</u>				
Wages, Social Security & Pension	-	183,322	183,322	161,602
Rent, Rates, Water & Insurance	-	77,564	77,564	78,309
Heat & Light	-	31,724	31,724	39,865
Telephone & Internet	-	1,827	1,827	1,474
Stationery, Postage & IT Costs	-	14,812	14,812	5,032
Travel Costs	-	3,071	3,071	206
Waste Collection	-	3,154	3,154	2,822
Office Costs	-	10,259	10,259	10,218
Advertising	-	2,705	2,705	1,636
Bank Charges	-	6,636	6,636	4,772
Depreciation	-	8,907	8,907	10,244
	-	343,981	343,981	316,180
<u>Governance</u>				
Book-Keeping, Accountancy & Audit	-	13,600	13,600	13,250
Legal & Professional Fees	-	3,385	3,385	1,483
Trustees' Travel Expenses	-	275	275	-
	-	17,260	17,260	14,733
TOTAL EXPENDITURE	-	856,878	856,878	932,287
EXCESS INCOME OVER EXPENDITURE	-	427,924	427,924	154,137