

ISLAMIC TEXTS SOCIETY

England & Wales · Charity number 283832

Details

Status Registered

Legal form Trust

Registered 1982-01-11

Register [View on the Charity Commission register](#)

Contact

Address Millers House
Kings Mill Lane
Great Shelford
Cambridge
CB22 5EN

Phone 01223842425

Email mail@its.org.uk

Website www.its.org.uk

Activities

Objects: (A) ADVANCING THE EDUCATION OF THE PUBLIC IN ISLAMIC AND MUSLIM RELIGION AND CULTURES BY MEANS OF THE PUBLICATION AND SALE OF ORIGINAL ISLAMIC TEXTS OR BY SUCH OTHER MEANS AS THE TRUSTEES SHALL DETERMINE FROM TIME TO TIME. (B) THE GENERAL PURPOSES OF SUCH CHARITABLE BODIES OR FOR SUCH OTHER PURPOSES AS SHALL BE EXCLUSIVELY CHARITABLE AS THE TRUSTEES MAY FROM TIME TO TIME DECIDE.

Activities: The publication of academic and general interest works on Islam.

Classification

- **How:** Other Charitable Activities
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£226,209	£260,581	-	-
2024-03-31	£240,012	£254,991	-	-
2023-03-31	£305,226	£263,011	-	-
2022-03-31	£220,039	£193,097	-	-
2021-03-31	£304,907	£234,240	-	-

Trustees

Name	Role	Appointed
LAILA AZZAM	Chair	
Dr ABDEL RAHMAN AZZAM		
Dr KHALED AZZAM		
HRH PRINCE AMR BIN MOHAMMED AL FAISAL AL SAUD		
NAGLA AZZAM		

ISLAMIC TEXTS SOCIETY

England & Wales - Charity number 283832

Accounts

ISLAMIC TEXTS SOCIETY

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

ISLAMIC TEXTS SOCIETY

CONTENTS

	Page
Reference and administrative details of the Society, its Trustees and advisers	1
Trustees' report	2 - 5
Independent examiner's report	6
Statement of financial activities	7
Balance sheet	8
Notes to the financial statements	9 - 21

ISLAMIC TEXTS SOCIETY

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SOCIETY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025**

Trustees HRH Prince Amr al-Faisal
Dr Khaled Azzam
Mrs Laila Azzam
Dr Abdul Rahman Azzam
Mrs Nagla Azzam

**Charity registered
number** 283832

Principal office Millers House
Kings Mill Lane
Great Shelford
Cambridge
CB22 5EN

Secretary Miss Fatima Azzam

Accountants Peters Elworthy & Moore
Chartered Accountants
Salisbury House
Station Road
Cambridge
CB1 2LA

Bankers Barclays Bank
9-11 St Andrew's Street
Cambridge
CB2 3AA

ISLAMIC TEXTS SOCIETY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Trustees submit their annual report and the unaudited financial statements of Islamic Texts Society (ITS) for the year ended 31 March 2025. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Policies and objectives

ITS aims to further knowledge about the heritage of Islam. It aims to build a library in the English language of translations of classic works from the Islamic culture and thus to make available, sometimes for the first time ever, works on theology, law, philosophy, mysticism, the sciences, etc. By so doing, it aims to contribute to the knowledge of academics, students, and all those interested in Islam. ITS also aims at publishing works of general interest about Islam and its relation to other religions. The objective here is to contribute to the ongoing inter-faith debate.

Public benefit

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The Society is a registered charity whose primary charitable purpose defined by the Charities Act 2011 is to advance the education of the public in Islamic and the Muslim religion and culture by means of the publication and sale of books from the Islamic heritage or by such other means as the trustees shall determine from time to time. The charity provides public benefit by making such texts available to a wide audience.

ACHIEVEMENTS AND PERFORMANCE

The aim of the Trust is to bring out new titles each year, as well as maintaining its backlist in stock.

We continue to liaise with authors and translators regarding commissioned manuscripts in the process of completion and to accept completed manuscripts that fit in with our aims and objectives. Our main focus continues to be the translations of titles from the Islamic heritage; monographs in English will be accepted only if exceptional and highly recommended.

The objective of the trust for the year 2025-26 is to publish six new titles:

- Al-Ghazali Responses Proper to Listening to Music HB
- Al-Ghazali Responses Proper to Listening to Music PB
- Al-Ghazali on Proper Conduct for Reciting the Qur'an HB
- Al-Ghazali on Proper Conduct for Reciting the Qur'an PB
- Sulami: Treatises on the Sufi Path
- Razi: The Great Exegesis Vol 2

The manuscripts of the above six new titles are in the process of being translated, edited, typeset, etc.

ISLAMIC TEXTS SOCIETY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Regarding the backlist, a number of out-of-stock titles will be reprinted. The ITS reviews the average annual sales of every title and divides the list into best-sellers (to be printed litho in quantities of 500 and above) and titles that sell less than 500 copies per year (to be printed Print on Demand/PoD in quantities dependent on average annual sales). This ensures that all titles remain permanently in stock which is essential for sales as most customers now cancel orders if the books are not in stock. We will continue to monitor sales of individual titles and adjust averages and print quantities accordingly.

Sales representation is still being managed in-house. We continue to expand the means of targeting our trade and individual clients.

During the year 2024-25, sales of the ITS titles at our new UK distributor BookSource have been lower than the previous year. Having contacted our distributors BookSource, our wholesalers Gardners and others in the trade, we were informed that this seems to be the case for all publishers in the UK. It is hoped that the situation will soon stabilise and that the new titles will increase the overall turnover. The ITS has suspended looking for a new distributor in North America for the time being.

No new titles were published in the year (see Review of Activities below).

Review of Activities

The year 2024-25 was mostly taken up with consolidating our position at our new distributor in the UK and rebuilding our relations with our existing customers after all the disruption with our former distributor Orca Book Services in the UK and the termination of our agreement with our North American distributor IPG. The ITS has also been finalising six new titles and commissioning a number of other forthcoming titles.

Our production programmes were reviewed, as were all titles in progress. A number of contracts for titles that have not been submitted were cancelled and the authors/translators of all remaining titles on our books chased and submission dates revised.

At present, the funds of the ITS are sufficient to cover its running costs and production costs and there is no need for the trustees and the management committee to raise funds for the charity. If in the year 2025-26 major new projects are taken on, then the trustees and the management committee will resume the fundraising to cover the costs of the new projects. No material expenditure for future income generation is expected.

PLANS FOR FUTURE PERIODS

The trust plans to continue to pursue its activities through the publication of new titles and through maintaining its backlist in stock.

In the year 2025-26, the ITS will be focusing more proactively on its marketing through the attendance at major international book fairs such as: the Sharjah Book Fair, the Kuala Lumpur Book Fair, etc.

ISLAMIC TEXTS SOCIETY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL REVIEW

Reserves Policy

The Trust is funded from the sale proceeds of its publications and from its fundraising activities. It is therefore the policy of the Trust to maintain unrestricted funds (excluding fixed assets), which are the free reserves of the Society, at a level which equates to approximately three months unrestricted expenditure (£65,145) in order to provide sufficient funds to cover the management and administration and support costs should there be a fall in income. Current unrestricted free reserves amounted to £161,436 (2024: £195,808), which is in excess of the policy.

Financial Review

The results for the year are set out in the attached financial statements. Sales of publications decreased during the year to £220,604 (2024: £226,763) and total expenditure amounted to £265,015 (2024: £254,991). At the end of the year the Society had net assets of £183,166 (2024: £221,972) although it is noted that the resale value of publications in stock significantly exceeds their book value.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The principal object of the Society is to further knowledge about the vast heritage of Islam by building a library in the English language of classic works from the Islamic culture. The Society is governed by a Trust Deed dated 4 November 1981 as amended on 16 November 2018.

Method of appointment or election of Trustees

The management of the Society is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust Deed by resolution at a meeting of the Trustees.

Organisational structure and decision making

The Trustees are responsible for establishing the overall policy of the Society and meet periodically to review progress in meeting the Society's objectives. The day-to-day execution of that policy is delegated to the Management Committee.

General risk management

The Trustees have examined the major strategic, business and operational risks which the ITS faces, in particular those related to the operations and finances of the ITS. Systems and procedures have been established to mitigate exposure to the major risks.

It has been recognised that the major strategic, business and operational risks are related to:

- the ability of the trust to raise sufficient funds to cover its production programmes especially given the challenges to fundraising and the imperative to ensure that all donations are accepted exclusively from recognised donors such as established ITS readers or donors known personally to the Trustees or managing director.
- the changing markets worldwide. In particular, the territorial rights where buyers or distributors are restricted to operate within a particular region are being disregarded more and more and this has affected the sales in North America. The Trustees are working to minimise this effect on the ITS through the enforcement of territorial rights and investigating the potential in future of having only one territory from which all sales are made.

ISLAMIC TEXTS SOCIETY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

- The new challenges that publishers have to face with Artificial Intelligence (AI) and the unauthorised use of copyrighted material. The ITS now clearly specifies in all its reprints and new titles that unauthorised use of its publication (including from unauthorised or pirated materials) to train generative AI technologies is expressly prohibited. In addition, the ITS has exercised its rights under Article 4(3) of the Digital Single Market Directive 2019/790 and expressly reserves all publications from the text and data mining exception. Finally, the ITS has taken the decision not to pursue the conversion of its titles to e-books or audio in order to limit, for the time being, access by AI mining companies of the content of ITS title online.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees 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).

The law applicable to charities in England & Wales 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 Society and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Society will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

AK Azzam

.....
Dr Abdul Rahman Azzam
Trustee

Date: 15 July 2025

ISLAMIC TEXTS SOCIETY

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ISLAMIC TEXTS SOCIETY ('the Society')

I report to the charity Trustees on my examination of the accounts of the Society for the year ended 31 March 2025.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the Society you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Society's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

Your attention is drawn to the fact that the Society has prepared the accounts in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Society as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Society's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Society's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Society and the Society's Trustees as a body, for my work or for this report.

Signed: 

Dated: 15 July 2025

Mr M Hewett

FCA DChA

PETERS ELWORTHY & MOORE

Chartered Accountants
Cambridge

ISLAMIC TEXTS SOCIETY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
INCOME FROM:					
Donations	2	4,326	-	4,326	12,223
Charitable activities	3	220,604	-	220,604	226,763
Investments	4	1,279	-	1,279	1,026
TOTAL INCOME		226,209	-	226,209	240,012
EXPENDITURE ON:					
Charitable activities	5	260,581	4,434	265,015	254,991
TOTAL EXPENDITURE		260,581	4,434	265,015	254,991
NET MOVEMENT IN FUNDS		(34,372)	(4,434)	(38,806)	(14,979)
RECONCILIATION OF FUNDS:					
Total funds brought forward	11	195,808	26,164	221,972	236,951
Net movement in funds		(34,372)	(4,434)	(38,806)	(14,979)
TOTAL FUNDS CARRIED FORWARD		161,436	21,730	183,166	221,972

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

The notes on pages 9 to 21 form part of these financial statements.

ISLAMIC TEXTS SOCIETY

**BALANCE SHEET
AS AT 31 MARCH 2025**

	Note	2025 £	2024 £
FIXED ASSETS			
Tangible assets	7	<u>1,679</u>	<u>1,473</u>
		1,679	1,473
CURRENT ASSETS			
Stocks	8	67,208	82,839
Debtors	9	46,272	58,069
Cash at bank and in hand		<u>267,179</u>	<u>281,719</u>
		380,659	422,627
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	10	<u>(199,172)</u>	<u>(202,128)</u>
NET CURRENT ASSETS		<u>181,487</u>	<u>220,499</u>
NET ASSETS		<u>183,166</u>	<u>221,972</u>
CHARITY FUNDS			
Restricted funds	11	21,730	26,164
Unrestricted funds	11	<u>161,436</u>	<u>195,808</u>
TOTAL FUNDS		<u>183,166</u>	<u>221,972</u>

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

AK Azzam

Dr Abdul Rahman Azzam

Trustee

Date: 15 July 2025

The notes on pages 9 to 21 form part of these financial statements.

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. ACCOUNTING POLICIES**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition of the Charities SORP October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 (and subsequently updated) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Islamic Texts Society meets the definition of a public benefit entity as defined by FRS 102.

No significant estimates or judgements have been made by management in preparing these financial statements.

1.2 GOING CONCERN

The Trustees have reviewed the financial position of the Society and have reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on a going concern basis.

1.3 FUND ACCOUNTING

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

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

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. ACCOUNTING POLICIES (CONTINUED)**1.4 INCOME**

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

Publication income is recognised at the later of the publication date or receipt of a sales order.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Society; this is normally upon notification of the interest paid or payable by the Bank.

Donations, are recognised when the Society has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfillment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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

Support costs have been allocated between governance costs and other support costs. Support costs are those costs incurred directly in support of expenditure on the objects of the Society. Governance costs are those incurred in connection with administration of the Society and compliance with constitutional and statutory requirements.

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

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	10% straight line
Computer equipment	-	20% straight line
Other fixed assets	-	20% straight line

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. ACCOUNTING POLICIES (CONTINUED)**1.7 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 CASH AT BANK AND IN HAND

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

1.11 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the Society has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 FINANCIAL INSTRUMENTS

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

1.13 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the statement of financial activities.

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. INCOME FROM DONATIONS

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations	4,326	-	4,326	12,223
TOTAL 2025	<u>4,326</u>	<u>-</u>	<u>4,326</u>	<u>12,223</u>
TOTAL 2024	<u>2,173</u>	<u>10,050</u>	<u>12,223</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Publishing	217,186	217,186	225,476
Copyright income	3,418	3,418	1,287
TOTAL 2025	<u>220,604</u>	<u>220,604</u>	<u>226,763</u>
TOTAL 2024	<u>226,763</u>	<u>226,763</u>	

In 2024, all income from charitable activities was unrestricted.

4. INVESTMENT INCOME

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Interest receivable	1,279	1,279	1,026
TOTAL 2025	<u>1,279</u>	<u>1,279</u>	<u>1,026</u>
TOTAL 2024	<u>1,026</u>	<u>1,026</u>	

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

5. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2025 £	Support and governance costs 2025 £	Total funds 2025 £	Total funds 2024 £
Publishing	135,151	129,864	265,015	254,991
TOTAL 2025	<u>135,151</u>	<u>129,864</u>	<u>265,015</u>	<u>254,991</u>
TOTAL 2024	<u>134,813</u>	<u>120,178</u>	<u>254,991</u>	

In 2024, of the total expenditure, £16,471 was attributable to expenditure from restricted funds and £238,520 was expenditure attributable to unrestricted funds.

ANALYSIS OF DIRECT COSTS

	Publishing 2025 £	Total funds 2025 £	Total funds 2024 £
Staff commissions	32,142	32,142	26,965
Costs of producing publications	69,536	69,536	62,726
Packing, distribution and commission	24,484	24,484	30,171
Royalties payable	8,989	8,989	14,951
	<u>135,151</u>	<u>135,151</u>	<u>134,813</u>
TOTAL 2024	<u>134,813</u>	<u>134,813</u>	

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

5. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Publishing 2025 £	Total funds 2025 £	Total funds 2024 £
Staff costs	85,651	85,651	78,330
Depreciation	611	611	669
Consultancy	1,000	1,000	250
Printing and stationery	974	974	545
Telephone and internet	426	426	490
Rent and rates	18,096	18,096	17,217
Insurance	643	643	411
Repairs and renewals	17	17	60
Computer expenses	1,201	1,201	885
Bank interest and charges	483	483	514
Entertainment	48	48	-
Subscriptions	1,020	1,020	1,331
Bad debt	-	-	39
Marketing and fundraising expenses	1,883	1,883	890
Legal and professional fees	3,800	3,800	4,630
Bookkeeping fees	9,663	9,663	9,657
Independent examination and accountancy fees (governance)	4,348	4,348	4,260
	<u>129,864</u>	<u>129,864</u>	<u>120,178</u>
TOTAL 2024	<u>120,178</u>	<u>120,178</u>	

6. STAFF COSTS, KEY MANAGEMENT PERSONNEL AND TRUSTEES' REMUNERATION AND EXPENSES

	2025 £	2024 £
Wages and salaries	110,108	99,127
Social security costs	7,685	6,168
	<u>117,793</u>	<u>105,295</u>

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

6. STAFF COSTS, KEY MANAGEMENT PERSONNEL AND TRUSTEES' REMUNERATION AND EXPENSES (CONTINUED)

The average number of persons employed by the Society during the year was as follows:

	2025	2024
	No.	No.
Publishing	2	2

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025	2024
	No.	No.
In the band £60,001 - £70,000	1	-

The key management personnel of the charity comprises the Trustees and the Secretary. The Trustees all give their time and expertise without any kind of remuneration or other benefit in kind (2024: £Nil). The total employment benefits, including employer's national insurance, of key management personnel were £52,571 (2024: £49,562).

No trustees received reimbursed travel expenses during the year (2024: £Nil).

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

7. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Other fixed assets £	Total £
COST				
At 1 April 2024	1,107	8,986	1,863	11,956
Additions	-	829	-	829
Disposals	-	(6,070)	-	(6,070)
At 31 March 2025	<u>1,107</u>	<u>3,745</u>	<u>1,863</u>	<u>6,715</u>
DEPRECIATION				
At 1 April 2024	1,107	7,513	1,863	10,483
Charge for the year	-	611	-	611
On disposals	-	(6,058)	-	(6,058)
At 31 March 2025	<u>1,107</u>	<u>2,066</u>	<u>1,863</u>	<u>5,036</u>
NET BOOK VALUE				
At 31 March 2025	<u>-</u>	<u>1,679</u>	<u>-</u>	<u>1,679</u>
At 31 March 2024	<u>-</u>	<u>1,473</u>	<u>-</u>	<u>1,473</u>

8. STOCKS

	2025 £	2024 £
Work in progress	12,852	4,982
Stocks of published books	54,356	77,857
	<u>67,208</u>	<u>82,839</u>

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

9. DEBTORS

	2025	2024
	£	£
DUE WITHIN ONE YEAR		
Trade debtors	43,491	55,405
Other debtors	1,689	1,555
Prepayments	1,092	1,109
	<u>46,272</u>	<u>58,069</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade creditors	5,238	9,575
Other taxation and social security	2,466	2,564
Other creditors	185,120	184,104
Accruals	6,348	5,885
	<u>199,172</u>	<u>202,128</u>

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

11. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2024 £	Income £	Expenditure £	Balance at 31 March 2025 £
UNRESTRICTED FUNDS				
General Funds	195,808	226,209	(260,581)	161,436
RESTRICTED FUNDS				
Royalties	4,434	-	(4,434)	-
Razi Volume 2	20,050	-	-	20,050
Al Ghazali	1,680	-	-	1,680
	<u>26,164</u>	<u>-</u>	<u>(4,434)</u>	<u>21,730</u>
TOTAL OF FUNDS	<u><u>221,972</u></u>	<u><u>226,209</u></u>	<u><u>(265,015)</u></u>	<u><u>183,166</u></u>

Purpose of Funds

The General Fund represents unrestricted funds available to support the Society's charitable objectives.

The Royalties restricted fund represents funding towards helping the charity pay off its liabilities for royalties and foreign language rights. These liabilities are included within 'Other Creditors' in the accounts.

As the remaining titles are yet to be published, the funds have been carried forward at the year end.

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

11. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
UNRESTRICTED FUNDS				
General Funds	204,366	229,962	(238,520)	195,808
	<hr/>	<hr/>	<hr/>	<hr/>
RESTRICTED FUNDS				
Royalties	5,905	-	(1,471)	4,434
Razi Volume 2	10,000	10,050	-	20,050
Kazaruni Volume 1 & 2	15,000	-	(15,000)	-
Al Ghazali	1,680	-	-	1,680
	<hr/>	<hr/>	<hr/>	<hr/>
	32,585	10,050	(16,471)	26,164
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL OF FUNDS	236,951	240,012	(254,991)	221,972
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	1,679	-	1,679
Current assets	358,929	21,730	380,659
Creditors due within one year	(199,172)	-	(199,172)
TOTAL	<u>161,436</u>	<u>21,730</u>	<u>183,166</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	1,473	-	1,473
Current assets	396,463	26,164	422,627
Creditors due within one year	(202,128)	-	(202,128)
TOTAL	<u>195,808</u>	<u>26,164</u>	<u>221,972</u>

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

13. OPERATING LEASE COMMITMENTS

At 31 March 2025 the Society had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025	2024
	£	£
Not later than 1 year	2,500	15,000
Later than 1 year and not later than 5 years	-	2,500
	2,500	17,500
	2,500	17,500

Following the year end, a new lease for Miller's House was signed on 1 June 2025. The updated annual rental cost is £18,000 per annum.

14. RELATED PARTY TRANSACTIONS

During the year, the Society continued to rent the Miller's House, which is part of The King's Mill in Great Shelford, a property in which the Society's Trustees have an interest.

The Society has rented its offices at this property from the King's Mill Trust since 1 June 2010 at an annual rent of £15,000 per annum. The annual rent payable was calculated on the square footage prices of office spaces in the Great Shelford area. The rent paid in the year to 31 March 2025 amounted to £15,000 (2024: £15,000).

During the year, no trustees made a personal donation to the charity (2024: £0).

Mrs N Azzam (Trustee) and Miss F Azzam (Secretary) are trustees of the King's Mill Trust and Dr K Azzam, Mrs L Azzam, Dr A R Azzam, Mrs N Azzam and Miss F Azzam are beneficiaries of the King's Mill Trust.

Dr A R Azzam, a trustee of the Charity, is also an author, and produces texts on behalf of the Charity. As with all authors who collaborate with the Charity, Dr A R Azzam receives a 10% royalty on all sales. Through this arm's length transaction, Dr A R Azzam received £1,232 during the year (2024: £Nil).

ISLAMIC TEXTS SOCIETY

England & Wales - Charity number 283832

Accounts

ISLAMIC TEXTS SOCIETY

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

ISLAMIC TEXTS SOCIETY

CONTENTS

	Page
Reference and administrative details of the Society, its Trustees and advisers	1
Trustees' report	2 - 5
Independent examiner's report	6
Statement of financial activities	7
Balance sheet	8
Notes to the financial statements	9 - 21

ISLAMIC TEXTS SOCIETY

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SOCIETY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024**

Trustees HRH Prince Amr al-Faisal
Dr Khaled Azzam
Mrs Laila Azzam
Dr Abdul Rahman Azzam
Mrs Nagla Azzam

**Charity registered
number** 283832

Principal office Millers House
Kings Mill Lane
Great Shelford
Cambridge
CB22 5EN

Secretary Miss Fatima Azzam

Accountants Peters Elworthy & Moore
Chartered Accountants
Salisbury House
Station Road
Cambridge
CB1 2LA

Bankers Barclays Bank
9-11 St Andrew's Street
Cambridge
CB2 3AA

ISLAMIC TEXTS SOCIETY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The Trustees submit their annual report and the unaudited financial statements of Islamic Texts Society (ITS) for the year ended 31 March 2024. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Policies and objectives

ITS aims to further knowledge about the heritage of Islam. It aims to build a library in the English language of translations of classic works from the Islamic culture and thus to make available, sometimes for the first time ever, works on theology, law, philosophy, mysticism, the sciences, etc. By so doing, it aims to contribute to the knowledge of academics, students, and all those interested in Islam. ITS also aims at publishing works of general interest about Islam and its relation to other religions. The objective here is to contribute to the ongoing inter-faith debate.

Public benefit

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The Society is a registered charity whose primary charitable purpose defined by the Charities Act 2011 is to advance the education of the public in Islamic and the Muslim religion and culture by means of the publication and sale of books from the Islamic heritage or by such other means as the trustees shall determine from time to time. The charity provides public benefit by making such texts available to a wide audience.

ACHIEVEMENTS AND PERFORMANCE

The aim of the Charity is to bring out new titles each year, as well as maintaining its backlist in stock.

We continue to liaise with authors and translators regarding commissioned manuscripts in the process of completion and to accept completed manuscripts that fit in with our aims and objectives. Our main focus continues to be the translations of titles from the Islamic heritage; monographs in English will be accepted only if exceptional and highly recommended.

The objective of the Charity for the year 2024-25 is to publish five new titles:

- Al-Ghazali Responses Proper to Listening to Music HB
- Al-Ghazali Responses Proper to Listening to Music PB
- Al-Ghazali on Proper Conduct for the Recitation of the Qur'an HB
- Al-Ghazali on Proper Conduct for the Recitation of the Qur'an PB
- Sulami: Treatises on the Sufi Path

The manuscripts of the above five new titles are in the process of being translated, edited, typeset, etc.

ISLAMIC TEXTS SOCIETY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Regarding the backlist, a number of out-of-stock titles will be reprinted. The ITS reviews the average annual sales of every title and divides the list into best-sellers (to be printed litho in quantities of 500 and above) and titles that sell less than 500 copies per year (to be printed Print on Demand (PoD) in quantities dependent on average annual sales). This ensures that all titles remain permanently in stock which is essential for sales as most customers now cancel orders if the books are not in stock. We will continue to monitor sales of individual titles and adjust averages and print quantities accordingly.

Sales representation is still being managed in-house. We continue to expand the means of targeting our trade and individual clients.

In the year 2024-25, the ITS will be focusing more proactively on its production programmes after the major disruptions caused by the termination of our distribution contracts both in the UK and in North America, the move in the UK to a new distributor BookSource and the impact of Covid on our authors/translators which had resulted in numerous delays in the submission of commissioned manuscripts.

During the year 2023-24, sales of the ITS titles at our new UK distributor Booksource have risen considerably on the previous year and we are reassured that the situation in the UK has stabilised after all the disruption with our former distributor Orca Book Services. The ITS has yet to find a new distributor in North America.

No new titles were published in the year (see Review of Activities below).

Review of Activities

The year 2023-24 was mostly taken up with consolidating our position at our new distributor in the UK, BookSource and rebuilding our relations with our existing customers after all the disruption with our former distributor Orca Book Services in the UK and the termination of our agreement with our North American distributor IPG.

Our production programmes were reviewed, as were all titles in progress. A number of contracts for titles that have not been submitted were cancelled and the authors/translators of all remaining titles on our books chased and submission dates revised.

At present, the funds of the ITS are sufficient to cover its running costs and production costs and there is no need for the trustees and the management committee to raise funds for the charity. If in the year 2024-25 major new projects are taken on, then the trustees and the management committee will resume the fundraising to cover the costs of the new projects. No material expenditure for future income generation is expected.

PLANS FOR FUTURE PERIODS

The trust plans to continue to pursue its activities through the publication of new titles and through maintaining its backlist in stock.

ISLAMIC TEXTS SOCIETY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL REVIEW

Reserves Policy

The Trust is funded from the sale proceeds of its publications and from its fundraising activities. It is therefore the policy of the Trust to maintain unrestricted funds (excluding fixed assets), which are the free reserves of the Society, at a level which equates to approximately three months unrestricted expenditure (£62,500) in order to provide sufficient funds to cover the management and administration and support costs should there be a fall in income. Current unrestricted free reserves amounted to £194,335 (2023: £204,366), which is in excess of the policy.

Financial Review

The results for the year are set out in the attached financial statements. Sales of publications increased during the year to £226,763 (2023: £208,334) and total expenditure amounted to £254,991 (2023: £263,011). At the end of the year the Society had net assets of £221,972 (2023: £236,951) although it is noted that the resale value of publications in stock significantly exceeds their book value.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The principal object of the Society is to further knowledge about the vast heritage of Islam by building a library in the English language of classic works from the Islamic culture. The Society is governed by a Trust Deed dated 4 November 1981 as amended on 16 November 2018.

Method of appointment or election of Trustees

The management of the Society is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust Deed by resolution at a meeting of the Trustees.

Organisational structure and decision making

The Trustees are responsible for establishing the overall policy of the Society and meet periodically to review progress in meeting the Society's objectives. The day-to-day execution of that policy is delegated to the Management Committee.

General risk management

The Trustees have examined the major strategic, business and operational risks which the ITS faces, in particular those related to the operations and finances of the ITS. Systems and procedures have been established to mitigate exposure to the major risks.

It has been recognised that the major strategic, business and operational risks are related to:

- the ability of the trust to raise sufficient funds to cover its production programmes especially given the challenges to fundraising and the imperative to ensure that all donations are accepted exclusively from recognised donors such as established ITS readers or donors known personally to the Trustees or managing director.
- the changing markets worldwide. In particular, the territorial rights where buyers or distributors are restricted to operate within a particular region are being disregarded more and more and this has affected the sales in North America. The Trustees are working to minimise this effect on the ITS through the enforcement of territorial rights and investigating the potential in future of having only one territory from which all sales are made.

ISLAMIC TEXTS SOCIETY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

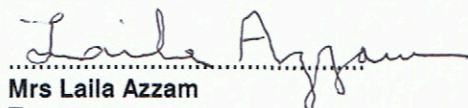
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 Society and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Society will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Mrs Laila Azzam

Trustee

Date: 07/09/2024

ISLAMIC TEXTS SOCIETY

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ISLAMIC TEXTS SOCIETY ('the Society')

I report to the charity Trustees on my examination of the accounts of the Society for the year ended 31 March 2024.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the Society you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Society's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

Your attention is drawn to the fact that the Society has prepared the accounts in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Society as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Society's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Society's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Society and the Society's Trustees as a body, for my work or for this report.

Signed: *Michael Hewett*

Dated: 14 October 2024

Mr M Hewett

FCA DChA

PETERS ELWORTHY & MOORE

Chartered Accountants
Cambridge

ISLAMIC TEXTS SOCIETY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
INCOME FROM:					
Donations	2	2,173	10,050	12,223	2,956
Charitable activities	3	226,763	-	226,763	208,334
Investments	4	1,026	-	1,026	186
Other income	5	-	-	-	93,750
TOTAL INCOME		229,962	10,050	240,012	305,226
EXPENDITURE ON:					
Charitable activities	6	238,520	16,471	254,991	263,011
TOTAL EXPENDITURE		238,520	16,471	254,991	263,011
NET MOVEMENT IN FUNDS		(8,558)	(6,421)	(14,979)	42,215
RECONCILIATION OF FUNDS:					
Total funds brought forward		204,366	32,585	236,951	194,736
Net movement in funds		(8,558)	(6,421)	(14,979)	42,215
TOTAL FUNDS CARRIED FORWARD		195,808	26,164	221,972	236,951

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


The notes on pages 9 to 21 form part of these financial statements.

ISLAMIC TEXTS SOCIETY

**BALANCE SHEET
AS AT 31 MARCH 2024**

	Note	2024 £	2023 £
FIXED ASSETS			
Tangible assets	8	1,473	2,142
		<u>1,473</u>	<u>2,142</u>
CURRENT ASSETS			
Stocks	9	82,839	79,114
Debtors	10	58,069	160,148
Cash at bank and in hand		281,719	185,945
		<u>422,627</u>	<u>425,207</u>
CREDITORS: amounts falling due within one year	11	(202,128)	(190,398)
NET CURRENT ASSETS		<u>220,499</u>	<u>234,809</u>
NET ASSETS		<u><u>221,972</u></u>	<u><u>236,951</u></u>
CHARITY FUNDS			
Restricted funds	12	26,164	32,585
Unrestricted funds	12	195,808	204,366
TOTAL FUNDS		<u><u>221,972</u></u>	<u><u>236,951</u></u>

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


Mrs Laila Azzam
Trustee

Date: 07/09/2024

The notes on pages 9 to 21 form part of these financial statements.

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. ACCOUNTING POLICIES**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition of the Charities SORP October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 (and subsequently updated) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Islamic Texts Society meets the definition of a public benefit entity as defined by FRS 102.

No significant estimates or judgements have been made by management in preparing these financial statements.

1.2 GOING CONCERN

The Trustees have reviewed the financial position of the Society and have reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on a going concern basis.

1.3 FUND ACCOUNTING

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

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

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. ACCOUNTING POLICIES (CONTINUED)**1.4 INCOME**

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

Publication income is recognised at the later of the publication date or receipt of a sales order.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Society; this is normally upon notification of the interest paid or payable by the Bank.

Donations, are recognised when the Society has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfillment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Other incoming resources represent amounts receivable under the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff. This income is recognised on the accruals basis, over the same period as the related expenditure.

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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

Support costs have been allocated between governance costs and other support costs. Support costs are those costs incurred directly in support of expenditure on the objects of the Society. Governance costs are those incurred in connection with administration of the Society and compliance with constitutional and statutory requirements.

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

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	10% straight line
Computer equipment	-	20% straight line
Other fixed assets	-	20% straight line

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. ACCOUNTING POLICIES (CONTINUED)**1.7 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 CASH AT BANK AND IN HAND

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

1.11 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the Society has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 FINANCIAL INSTRUMENTS

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

1.13 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the statement of financial activities.

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. INCOME FROM DONATIONS

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	2,173	10,050	12,223	2,956
TOTAL 2024	<u>2,173</u>	<u>10,050</u>	<u>12,223</u>	<u>2,956</u>
TOTAL 2023	<u>2,866</u>	<u>90</u>	<u>2,956</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Publishing	225,476	225,476	207,315
Copyright income	1,287	1,287	1,019
TOTAL 2024	<u>226,763</u>	<u>226,763</u>	<u>208,334</u>
TOTAL 2023	<u>208,334</u>	<u>208,334</u>	

In 2023, all income from charitable activities was unrestricted.

4. INVESTMENT INCOME

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Interest receivable	1,026	1,026	186
TOTAL 2024	<u>1,026</u>	<u>1,026</u>	<u>186</u>
TOTAL 2023	<u>186</u>	<u>186</u>	

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

5. OTHER INCOMING RESOURCES

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Orca settlement agreement	-	-	93,750
TOTAL 2024	-	-	93,750
TOTAL 2023	93,750	93,750	

In 2023, Other incoming resources represented the amount owed to ITS under the settlement agreement reached with Orca Book Services in May 2023.

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2024 £	Support and governance costs 2024 £	Total funds 2024 £	Total funds 2023 £
Publishing	134,813	120,178	254,991	263,011
TOTAL 2024	134,813	120,178	254,991	263,011
TOTAL 2023	128,784	134,227	263,011	

In 2023, of the total expenditure, £5,104 was attributable to expenditure from restricted funds and £257,907 was expenditure attributable to unrestricted funds.

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Publishing 2024 £	Total funds 2024 £	Total funds 2023 £
Staff commissions	26,965	26,965	18,581
Costs of producing publications	62,726	62,726	51,196
Packing, distribution and commission	30,171	30,171	48,501
Royalties payable	14,951	14,951	10,506
	<u>134,813</u>	<u>134,813</u>	<u>128,784</u>
TOTAL 2023	<u>128,784</u>	<u>128,784</u>	

ANALYSIS OF SUPPORT COSTS

	Publishing 2024 £	Total funds 2024 £	Total funds 2023 £
Staff costs	78,330	78,330	71,297
Depreciation	669	669	602
Consultancy	250	250	-
Printing and stationery	545	545	768
Telephone and internet	490	490	884
Rent and rates	17,217	17,217	17,452
Insurance	411	411	285
Repairs and renewals	60	60	-
Computer expenses	885	885	1,100
Bank interest and charges	514	514	873
Subscriptions	1,331	1,331	1,183
Bad debt	39	39	49
Marketing and fundraising expenses	890	890	5,488
Legal and professional fees	4,630	4,630	22,276
Bookkeeping fees	9,657	9,657	8,020
Independent examination and accountancy fees (governance)	4,260	4,260	3,950
	<u>120,178</u>	<u>120,178</u>	<u>134,227</u>
TOTAL 2023	<u>134,227</u>	<u>134,227</u>	

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

7. STAFF COSTS, KEY MANAGEMENT PERSONNEL AND TRUSTEES' REMUNERATION AND EXPENSES

	2024	2023
	£	£
Wages and salaries	99,127	85,189
Social security costs	6,168	4,689
	<u>105,295</u>	<u>89,878</u>

The average number of persons employed by the Society during the year was as follows:

	2024	2023
	No.	No.
Publishing	<u>2</u>	<u>2</u>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity comprises the Trustees and the Secretary. The Trustees all give their time and expertise without any kind of remuneration or other benefit in kind (2023: £Nil). The total employment benefits, including employer's national insurance, of key management personnel were £49,562 (2023: £41,229).

No trustees received reimbursed travel expenses during the year (2023: £Nil).

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

8. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Other fixed assets £	Total £
COST				
At 1 April 2023	1,107	8,986	1,863	11,956
At 31 March 2024	<u>1,107</u>	<u>8,986</u>	<u>1,863</u>	<u>11,956</u>
DEPRECIATION				
At 1 April 2023	1,096	6,855	1,863	9,814
Charge for the year	11	658	-	669
At 31 March 2024	<u>1,107</u>	<u>7,513</u>	<u>1,863</u>	<u>10,483</u>
NET BOOK VALUE				
At 31 March 2024	<u>-</u>	<u>1,473</u>	<u>-</u>	<u>1,473</u>
At 31 March 2023	<u>11</u>	<u>2,131</u>	<u>-</u>	<u>2,142</u>

9. STOCKS

	2024 £	2023 £
Work in progress	4,982	1,482
Stocks of published books	<u>77,857</u>	<u>77,632</u>
	<u><u>82,839</u></u>	<u><u>79,114</u></u>

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

10. DEBTORS

	2024	2023
	£	£
DUE WITHIN ONE YEAR		
Trade debtors	55,405	62,968
Other debtors	1,555	2,731
Prepayments	1,109	94,449
	58,069	160,148
	58,069	160,148

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	9,575	15,522
Other taxation and social security	2,564	2,319
Other creditors	184,104	167,915
Accruals	5,885	4,642
	202,128	190,398
	202,128	190,398

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

12. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
UNRESTRICTED FUNDS				
General Funds - all funds	204,366	229,962	(238,520)	195,808
RESTRICTED FUNDS				
Royalties	5,905	-	(1,471)	4,434
Razi Volume 2	10,000	10,050	-	20,050
Kazaruni Volume 1 & 2	15,000	-	(15,000)	-
Al Ghazali	1,680	-	-	1,680
	<u>32,585</u>	<u>10,050</u>	<u>(16,471)</u>	<u>26,164</u>
TOTAL OF FUNDS	<u><u>236,951</u></u>	<u><u>240,012</u></u>	<u><u>(254,991)</u></u>	<u><u>221,972</u></u>

Purpose of Funds

The General Fund represents unrestricted funds available to support the Society's charitable objectives.

The Royalties restricted fund represents funding towards helping the charity pay off its liabilities for royalties and foreign language rights. These liabilities are included within 'Other Creditors' in the accounts.

Donations were received in the year towards publishing AL Ghazali titles. As these titles are yet to be published, the funds have been carried forward at the year end.

Kazaruni vol 1 & 2' was published in the year.

As the remaining titles are yet to be published, the funds have been carried forward at the year end.

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

12. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
UNRESTRICTED FUNDS					
General Funds - all funds	162,241	305,136	(257,907)	(5,104)	204,366
	<u>162,241</u>	<u>305,136</u>	<u>(257,907)</u>	<u>(5,104)</u>	<u>204,366</u>
RESTRICTED FUNDS					
Royalties	5,905	-	-	-	5,905
Razi Volume 2	10,000	-	-	-	10,000
Kashani Volume 1	-	-	(2,459)	2,459	-
Kashani Volume 2	-	-	(2,645)	2,645	-
Kazaruni Volume 1 & 2	15,000	-	-	-	15,000
Al Ghazali	1,590	90	-	-	1,680
	<u>32,495</u>	<u>90</u>	<u>(5,104)</u>	<u>5,104</u>	<u>32,585</u>
TOTAL OF FUNDS	<u><u>194,736</u></u>	<u><u>305,226</u></u>	<u><u>(263,011)</u></u>	<u><u>-</u></u>	<u><u>236,951</u></u>

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	1,473	-	1,473
Current assets	396,463	26,164	422,627
Creditors due within one year	(202,128)	-	(202,128)
TOTAL	<u>195,808</u>	<u>26,164</u>	<u>221,972</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	2,142	-	2,142
Current assets	392,622	32,585	425,207
Creditors due within one year	(190,398)	-	(190,398)
TOTAL	<u>204,366</u>	<u>32,585</u>	<u>236,951</u>

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

14. OPERATING LEASE COMMITMENTS

At 31 March 2024 the Society had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£	£
Not later than 1 year	15,000	15,000
Later than 1 year and not later than 5 years	2,500	17,500
	17,500	32,500
	17,500	32,500

15. RELATED PARTY TRANSACTIONS

During the year, the Society continued to rent the Miller's House, which is part of The King's Mill in Great Shelford, a property in which the Society's Trustees have an interest.

The Society has rented its offices at this property from the King's Mill Trust since 1 June 2010 at an annual rent of £15,000 per annum. The annual rent payable was calculated on the square footage prices of office spaces in the Great Shelford area. The rent paid in the year to 31 March 2024 amounted to £15,000 (2023: £15,000).

Mrs N Azzam (Trustee) and Miss F Azzam (Secretary) are trustees of the King's Mill Trust and Dr K Azzam, Mrs L Azzam, Dr A R Azzam, Mrs N Azzam and Miss F Azzam are beneficiaries of the King's Mill Trust.

ISLAMIC TEXTS SOCIETY

England & Wales - Charity number 283832

Accounts

ISLAMIC TEXTS SOCIETY

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

ISLAMIC TEXTS SOCIETY

CONTENTS

	Page
Reference and administrative details of the Society, its Trustees and advisers	1
Trustees' report	2 - 5
Independent examiner's report	6
Statement of financial activities	7
Balance sheet	8
Notes to the financial statements	9 - 20

ISLAMIC TEXTS SOCIETY

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SOCIETY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

Trustees HRH Prince Amr al-Faisal
Dr Khaled Azzam
Mrs Laila Azzam
Dr Abdul Rahman Azzam
Mrs Nagla Azzam

**Charity registered
number** 283832

Principal office Millers House
Kings Mill Lane
Great Shelford
Cambridge
CB22 5EN

Secretary Miss Fatima Azzam

Accountants Peters Elworthy & Moore
Chartered Accountants
Salisbury House
Station Road
Cambridge
CB1 2LA

Bankers Barclays Bank
9-11 St Andrew's Street
Cambridge
CB2 3AA

ISLAMIC TEXTS SOCIETY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trustees submit their annual report and the unaudited financial statements of Islamic Texts Society (ITS) for the year ended 31 March 2023. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Policies and objectives

ITS aims to further knowledge about the heritage of Islam. It aims to build a library in the English language of translations of classic works from the Islamic culture and thus to make available, sometimes for the first time ever, works on theology, law, philosophy, mysticism, the sciences, etc. By so doing, it aims to contribute to the knowledge of academics, students, and all those interested in Islam. ITS also aims at publishing works of general interest about Islam and its relation to other religions. The objective here is to contribute to the ongoing inter-faith debate.

Public benefit

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The Society is a registered charity whose primary charitable purpose defined by the Charities Act 2011 is to advance the education of the public in Islamic and the Muslim religion and culture by means of the publication and sale of books from the Islamic heritage or by such other means as the trustees shall determine from time to time. The charity provides public benefit by making such texts available to a wide audience.

ACHIEVEMENTS AND PERFORMANCE

The aim of the Trust is to bring out new titles each year, as well as maintaining its backlist in stock.

During the year April 2022 to March 2023, these activities were hampered by the failure of ITS's UK distributor, Orca Book Services, to move the stock of ITS to Orca's new distribution centre and by the failure of Orca to provide a full service under the terms of its agreement with ITS. The situation was exasperated by Orca's complete lack of cooperation and the lack of cooperation of the new owners of Orca, Independent Publishers Group (IPG) who failed to pay ITS on time, failed to account for the stock in storage outside the distribution centre, failed to despatch order while at the same recording them, failed to inform ITS that the orders were not being despatched, proceeded to credit the orders not despatch and to deduct this from the sale of ITS. For a period of three months between Nov 2021 and Jan 2022, ITS attempted to have the situation corrected only to conclude that Orca/IPG would only respond if legal action was taken against them. ITS proceeded to appoint lawyers and to terminate the agreement with Orca/IPG. ITS was able to find alternative arrangements for its UK distribution (BookSource) and the contract commenced in August 2022. The new owners of Orca happened to be ITS's North American distributors. In June 2022, ITS proceeded to give IPG notice of termination of their agreement for North American distribution and ITS is at present working on alternative arrangements for North American distribution. At the end of March 2023, the situation with Orca/IPG was still in the hands of our solicitors who are pursuing Orca/IPG for payment of all orders and return of the stock of the ITS. We are, however, pleased to report that sales of ITS titles at our new UK distributor Booksource have risen considerably and we are reassured that we the situation in the UK has stabilised and is continuing to improve.

ISLAMIC TEXTS SOCIETY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Review of Activities

Though ITS has been able to weather the major disruption caused by Orca/IPG, its production programmes have been affected. ITS was only able to publish two new titles in the year.

- Kazaruni Vol. 1
- Kazaruni Vol. 2

The Trustees and the management committee will continue to fundraise on behalf of the trust in order to cover the costs of the ongoing production programme. The running costs of the Trust are mostly covered by the income from the sales of its titles. No material expenditure for future income generation is expected.

FINANCIAL REVIEW

Reserves Policy

The Trust is funded from the sale proceeds of its publications and from its fundraising activities. It is therefore the policy of the Trust to maintain unrestricted funds (excluding fixed assets), which are the free reserves of the Society, at a level which equates to approximately three months unrestricted expenditure (£65,750) in order to provide sufficient funds to cover the management and administration and support costs should there be a fall in income. Current unrestricted free reserves amount to £204,366, which is in excess of the policy.

Financial Review

The results for the year are set out in the attached financial statements. Sales of publications decreased during the year to £208,334 (2022: £195,501) and total expenditure amounted to £263,011 (2022: £199,396). At the end of the year the Society had net assets of £236,951 (2022: £194,736) although it is noted that the resale value of publications in stock significantly exceeds their book value.

PLANS FOR FUTURE PERIODS

The Trust plans to continue to pursue its activities through the publication of new titles and through maintaining its backlist in stock.

The objective of the Trust for the year is to publish four new titles:

- Al-Ghazali on Proper Conduct for the Recitation of the Qur'an HB
- Al-Ghazali on Proper Conduct for the Recitation of the Qur'an PB
- Sulami: Treatises on the Sufi Path
- A Companion to Qur'anic Commentary

The manuscripts of the above four new titles are in the process of being edited, typeset, etc.

We will continue to liaise with authors and translators regarding commissioned manuscripts in the process of completion and will accept completed manuscripts that fit in with our aims and objectives.

A number of out-of-stock titles will also be reprinted. ITS reviews the average annual sales of every title and divides the list into best-sellers (to be printed litho in quantities of 500 and above) and titles that sell less than 500 copies per year (to be printed Print on Demand (PoD) in quantities dependent on average annual sales). Over the past years since these programmes were implemented, we have noticed an increase in our sales due to the titles remaining permanently in stock. We will continue to monitor sales of individual titles and adjust averages and print quantities accordingly.

ISLAMIC TEXTS SOCIETY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Sales representation is still being managed in-house. We continue to expand the means of targeting our trade and individual clients.

In the year 2023-24, ITS is looking forward to recovering from and focusing more proactively on its production programmes after the major disruptions caused by the termination of our distribution contracts both in the UK and in North America and the move in the UK to a new distributor BookSource.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The principal object of the Society is to further knowledge about the vast heritage of Islam by building a library in the English language of classic works from the Islamic culture. The Society is governed by a Trust Deed dated 4 November 1981 as amended on 16 November 2018.

Method of appointment or election of Trustees

The management of the Society is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust Deed by resolution at a meeting of the Trustees.

Organisational structure and decision making

The Trustees are responsible for establishing the overall policy of the Society and meet periodically to review progress in meeting the Society's objectives. The day-to-day execution of that policy is delegated to the Management Committee.

General risk management

The Trustees have examined the major strategic, business and operational risks which ITS faces, in particular those related to the operations and finances of ITS. Systems and procedures have been established to mitigate exposure to the major risks.

It has been recognised that the major strategic, business and operational risks are related to:

- the ability of the trust to raise sufficient funds to cover its production programmes especially given the challenges to fundraising and the imperative to ensure that all donations are accepted exclusively from recognised donors such as established ITS readers or donors known personally to the Trustees or managing director.
- the changing markets worldwide. In particular, the territorial rights where buyers or distributors are restricted to operate within a particular region are being disregarded more and more and this has affected the sales in North America. The Trustees are working to minimise this effect on ITS through the enforcement of territorial rights and investigating the potential in future of having only one territory from which all sales are made.

ISLAMIC TEXTS SOCIETY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

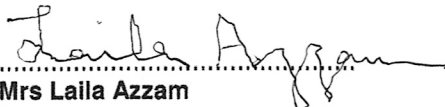
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Society and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Society will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Mrs Laila Azzam

Trustee

Date: 08/09/2023

ISLAMIC TEXTS SOCIETY

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ISLAMIC TEXTS SOCIETY ('the Society')

I report to the charity Trustees on my examination of the accounts of the Society for the year ended 31 March 2023.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the Society you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Society's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

Since the Society's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of (enter body here), which is one of the listed bodies.

Your attention is drawn to the fact that the Society has prepared the accounts in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Society as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Society's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Society's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Society and the Society's Trustees as a body, for my work or for this report.

Signed:

Michael Hewett

Dated: 20 September 2023

Mr M Hewett

FCA DChA

PETERS ELWORTHY & MOORE

Chartered Accountants
Cambridge

ISLAMIC TEXTS SOCIETY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:					
Donations	2	2,866	90	2,956	3,739
Charitable activities	3	208,334	-	208,334	195,501
Investments	4	186	-	186	38
Other income	5	93,750	-	93,750	21,281
TOTAL INCOME		305,136	90	305,226	220,559
EXPENDITURE ON:					
Charitable activities		257,907	5,104	263,011	199,396
TOTAL EXPENDITURE		257,907	5,104	263,011	199,396
Net income/(expenditure)		47,229	(5,014)	42,215	21,163
Transfers between funds	12	(5,104)	5,104	-	-
NET MOVEMENT IN FUNDS		42,125	90	42,215	21,163
RECONCILIATION OF FUNDS:					
Total funds brought forward		162,241	32,495	194,736	173,573
Net movement in funds		42,125	90	42,215	21,163
TOTAL FUNDS CARRIED FORWARD		204,366	32,585	236,951	194,736

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

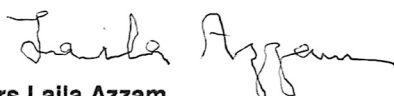
The notes on pages 9 to 20 form part of these financial statements.

ISLAMIC TEXTS SOCIETY

**BALANCE SHEET
AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	8	2,142	2,171
		2,142	2,171
CURRENT ASSETS			
Stocks	9	79,114	93,933
Debtors	10	160,148	45,405
Cash at bank and in hand		185,945	231,111
		425,207	370,449
CREDITORS: amounts falling due within one year	11	(190,398)	(177,884)
Net current assets		234,809	192,565
NET ASSETS		236,951	194,736
Charity funds			
Restricted funds	12	32,585	32,495
Unrestricted funds	12	204,366	162,241
Total funds		236,951	194,736

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



Mrs Laila Azzam
Trustee

Date: 08/09/2023

The notes on pages 9 to 20 form part of these financial statements.

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. ACCOUNTING POLICIES**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition of the Charities SORP October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 (and subsequently updated) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Islamic Texts Society meets the definition of a public benefit entity as defined by FRS 102.

No significant estimates or judgements have been made by management in preparing these financial statements.

1.2 GOING CONCERN

The Trustees have reviewed the financial position of the Society and have reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on a going concern basis.

1.3 FUND ACCOUNTING

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

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

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. ACCOUNTING POLICIES (CONTINUED)

1.4 INCOME

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

Publication income is recognised at the later of the publication date or receipt of a sales order.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Society; this is normally upon notification of the interest paid or payable by the Bank.

Donations, are recognised when the Society has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfillment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Other incoming resources represent amounts receivable under the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff. This income is recognised on the accruals basis, over the same period as the related expenditure.

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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

Support costs have been allocated between governance costs and other support costs. Support costs are those costs incurred directly in support of expenditure on the objects of the Society. Governance costs are those incurred in connection with administration of the Society and compliance with constitutional and statutory requirements.

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

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	10% straight line
Computer equipment	-	20% straight line
Other fixed assets	-	20% straight line

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. ACCOUNTING POLICIES (CONTINUED)**1.7 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 CASH AT BANK AND IN HAND

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

1.11 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the Society has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 FINANCIAL INSTRUMENTS

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

1.13 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the statement of financial activities.

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. INCOME FROM DONATIONS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	2,866	90	2,956	3,739
TOTAL 2023	<u>2,866</u>	<u>90</u>	<u>2,956</u>	<u>3,739</u>
TOTAL 2022	<u>3,219</u>	<u>520</u>	<u>3,739</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Publishing	207,315	207,315	191,949
Copyright income	1,019	1,019	3,552
TOTAL 2023	<u>208,334</u>	<u>208,334</u>	<u>195,501</u>
TOTAL 2022	<u>195,501</u>	<u>195,501</u>	

In 2022, all income from charitable activities was unrestricted.

4. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Interest receivable	186	186	38
TOTAL 2023	<u>186</u>	<u>186</u>	<u>38</u>
TOTAL 2022	<u>38</u>	<u>38</u>	

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. OTHER INCOMING RESOURCES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Job retention scheme	-	-	21,281
Orca settlement agreement	93,750	93,750	-
TOTAL 2023	<u>93,750</u>	<u>93,750</u>	<u>21,281</u>
TOTAL 2022	<u>21,281</u>	<u>21,281</u>	

In 2023, Other incoming resources represents the amount owed to ITS under the settlement agreement reached with Orca Book Services in May 2023.

In 2022, Other incoming resources represented amounts receivable under the Coronavirus Job Retention Scheme (CJRS) of £21,281 to cover salaries of furloughed staff.

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support and governance costs 2023 £	Total funds 2023 £	Total funds 2022 £
Publishing	128,784	134,227	263,011	199,396
TOTAL 2023	<u>128,784</u>	<u>134,227</u>	<u>263,011</u>	<u>199,396</u>
TOTAL 2022	<u>83,262</u>	<u>116,134</u>	<u>199,396</u>	

In 2022, of the total expenditure, £6,299 was attributable to expenditure from restricted funds and £193,097 was expenditure attributable to unrestricted funds.

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Publishing 2023 £	Total funds 2023 £	Total funds 2022 £
Staff commissions	18,581	18,581	15,213
Costs of producing publications	51,196	51,196	13,879
Packing, distribution and commission	48,501	48,501	45,231
Royalties payable	10,506	10,506	8,939
	<u>128,784</u>	<u>128,784</u>	<u>83,262</u>
TOTAL 2022	<u>83,262</u>	<u>83,262</u>	

ANALYSIS OF SUPPORT COSTS

	Publishing 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	71,297	71,297	70,456
Depreciation	602	602	479
Printing and stationery	768	768	1,027
Telephone and internet	884	884	945
Rent and rates	17,452	17,452	17,090
Insurance	285	285	277
Computer expenses	1,100	1,100	1,204
Bank interest and charges	873	873	886
Subscriptions	1,183	1,183	1,515
Bad debt	49	49	241
Marketing and fundraising expenses	5,488	5,488	7,900
Legal and professional fees	22,276	22,276	1,963
Bookkeeping fees	8,020	8,020	8,396
Independent examination and accountancy fees (governance)	3,950	3,950	3,755
	<u>134,227</u>	<u>134,227</u>	<u>116,134</u>
TOTAL 2022	<u>116,134</u>	<u>116,134</u>	

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. STAFF COSTS, KEY MANAGEMENT PERSONNEL AND TRUSTEES' REMUNERATION AND EXPENSES

	2023	2022
	£	£
Wages and salaries	85,189	81,621
Social security costs	4,689	4,048
	<u>89,878</u>	<u>85,669</u>

The average number of persons employed by the Society during the year was as follows:

	2023	2022
	No.	No.
Publishing	<u>2</u>	<u>2</u>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity comprises the Trustees and the Secretary. The Trustees all give their time and expertise without any kind of remuneration or other benefit in kind (2022: £Nil). The total employment benefits, including employer's national insurance, of key management personnel were £41,229 (2022: £41,597).

No trustees received reimbursed travel expenses during the year (2022: £Nil).

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Other fixed assets £	Total £
COST OR VALUATION				
At 1 April 2022	1,107	8,412	1,863	11,382
Additions	-	574	-	574
At 31 March 2023	<u>1,107</u>	<u>8,986</u>	<u>1,863</u>	<u>11,956</u>
DEPRECIATION				
At 1 April 2022	1,083	6,265	1,863	9,211
Charge for the year	13	590	-	603
At 31 March 2023	<u>1,096</u>	<u>6,855</u>	<u>1,863</u>	<u>9,814</u>
NET BOOK VALUE				
At 31 March 2023	<u>11</u>	<u>2,131</u>	<u>-</u>	<u>2,142</u>
At 31 March 2022	<u>24</u>	<u>2,147</u>	<u>-</u>	<u>2,171</u>

9. STOCKS

	2023 £	2022 £
Work in progress	1,482	2,281
Stocks of published books	77,632	91,652
	<u>79,114</u>	<u>93,933</u>

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. DEBTORS

	2023	2022
	£	£
DUE WITHIN ONE YEAR		
Trade debtors	62,968	43,327
Other debtors	2,731	2,023
Prepayments	94,449	55
	160,148	45,405
	160,148	45,405

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	15,522	14,453
Other taxation and social security	2,319	1,705
Other creditors	167,915	155,415
Accruals	4,642	6,311
	190,398	177,884
	190,398	177,884

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. STATEMENT OF FUNDS**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
UNRESTRICTED FUNDS					
General Funds - all funds	162,241	305,136	(257,907)	(5,104)	204,366
RESTRICTED FUNDS					
Royalties	5,905	-	-	-	5,905
Razi Volume 2	10,000	-	-	-	10,000
Kashani Volume 1	-	-	(2,459)	2,459	-
Kashani Volume 2	-	-	(2,645)	2,645	-
Kazaruni Volume 1 & 2	15,000	-	-	-	15,000
Al Ghazali	1,590	90	-	-	1,680
	32,495	90	(5,104)	5,104	32,585
TOTAL OF FUNDS	194,736	305,226	(263,011)	-	236,951

Purpose of Funds

The General Fund represents unrestricted funds available to support the Society's charitable objectives.

The Royalties restricted fund represents funding towards helping the charity pay off its liabilities for royalties and foreign language rights. These liabilities are included within 'Other Creditors' in the accounts.

Donations were received in the year towards publishing AL Ghazali titles. As these titles are yet to be published, the funds have been carried forward at the year end.

Donations were historically received in previous years towards publishing titles 'Kashani vol 1', Kashani vol 2' and Kazaruni vol 1 & 2' and 'Razi: 'Mafatih al-Ghayb vol 2'. Kashani vol 1 and Kashani vol 2 were published in the year the fund balances were transferred to unrestricted.

As the remaining titles are yet to be published, the funds have been carried forward at the year end.

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
UNRESTRICTED FUNDS					
General Funds - all funds	116,598	220,039	(193,097)	18,701	162,241
RESTRICTED FUNDS					
Royalties	5,905	-	-	-	5,905
Razi Volume 2	10,000	-	-	-	10,000
Kashani Volume 1	12,500	-	(2,692)	(9,808)	-
Kashani Volume 2	12,500	-	(3,607)	(8,893)	-
Kazaruni Volume 1 & 2	15,000	-	-	-	15,000
Al Ghazali	1,070	520	-	-	1,590
	<u>56,975</u>	<u>520</u>	<u>(6,299)</u>	<u>(18,701)</u>	<u>32,495</u>
TOTAL OF FUNDS	<u><u>173,573</u></u>	<u><u>220,559</u></u>	<u><u>(199,396)</u></u>	<u><u>-</u></u>	<u><u>194,736</u></u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	2,142	-	2,142
Current assets	392,622	32,585	425,207
Creditors due within one year	(190,398)	-	(190,398)
TOTAL	<u><u>204,366</u></u>	<u><u>32,585</u></u>	<u><u>236,951</u></u>

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	2,171	-	2,171
Current assets	332,049	38,400	370,449
Creditors due within one year	(171,979)	(5,905)	(177,884)
TOTAL	<u>162,241</u>	<u>32,495</u>	<u>194,736</u>

14. OPERATING LEASE COMMITMENTS

At 31 March 2023 the Society had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	15,000	15,000
Later than 1 year and not later than 5 years	17,500	32,500
	<u>32,500</u>	<u>47,500</u>

15. RELATED PARTY TRANSACTIONS

During the year, the Society continued to rent the Miller's House, which is part of The King's Mill in Great Shelford, a property in which the Society's Trustees have an interest.

The Society has rented its offices at this property from the King's Mill Trust since 1 June 2010 at an annual rent of £15,000 per annum. The annual rent payable was calculated on the square footage prices of office spaces in the Great Shelford area. The rent paid in the year to 31 March 2023 amounted to £15,000 (2022: £15,000).

Mrs N Azzam (Trustee) and Miss F Azzam (Secretary) are trustees of the King's Mill Trust and Dr K Azzam, Mrs L Azzam, Dr A R Azzam, Mrs N Azzam and Miss F Azzam are beneficiaries of the King's Mill Trust.

16. CONTROLLING PARTY

The Society is under the control of its Trustees who are listed on page 1 of the financial statements.

ISLAMIC TEXTS SOCIETY

England & Wales - Charity number 283832

Accounts

ISLAMIC TEXTS SOCIETY

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

ISLAMIC TEXTS SOCIETY

CONTENTS

	Page
Reference and administrative details of the Society, its Trustees and advisers	1
Trustees' report	2 - 5
Independent examiner's report	6
Statement of financial activities	7
Balance sheet	8
Notes to the financial statements	9 - 20

ISLAMIC TEXTS SOCIETY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE SOCIETY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022

Trustees HRH Prince Amr al-Faisal
Dr Khaled Azzam
Mrs Laila Azzam
Dr Abdul Rahman Azzam
Mrs Nagla Azzam

**Charity registered
number** 283832

Principal office Millers House
Kings Mill Lane
Great Shelford
Cambridge
CB22 5EN

Secretary Miss Fatima Azzam

Accountants Peters Elworthy & Moore
Chartered Accountants
Salisbury House
Station Road
Cambridge
CB1 2LA

Bankers Barclays Bank
9-11 St Andrew's Street
Cambridge
CB2 3AA

ISLAMIC TEXTS SOCIETY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Trustees submit their annual report and the unaudited financial statements of Islamic Texts Society (the Society) for the year ended 31 March 2022. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Policies and objectives

The trust aims to further knowledge about the heritage of Islam. It aims to build a library in the English language of translations of classic works from the Islamic culture and thus to make available, sometimes for the first time ever, works on theology, law, philosophy, mysticism, the sciences, etc. By so doing, it aims to contribute to the knowledge of academics, students, and all those interested in Islam. The trust also aims at publishing works of general interest about Islam and its relation to other religions. The objective here is to contribute to the ongoing inter-faith debate.

Public benefit

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The Society is a registered charity whose primary charitable purpose defined by the Charities Act 2011 is to advance the education of the public in Islamic and the Muslim religion and culture by means of the publication and sale of books from the Islamic heritage or by such other means as the trustees shall determine from time to time. The charity provides public benefit by making such texts available to a wide audience.

ACHIEVEMENTS AND PERFORMANCE

The aim of the Trust is to bring out new titles each year, as well as maintaining its backlist in stock.

During the year April 2021 to March 2022, these activities have been hampered by the failure of the ITS's UK distributor, Orca Book Services, to move the stock of the ITS to Orca's new distribution centre and by the failure of Orca to provide a full service under the terms of its agreement with the ITS. The situation was exasperated by Orca's complete lack of cooperation and the lack of cooperation of the new owners of Orca, Independent Publishers Group (IPG) who failed to pay the ITS on time, failed to account for the stock in storage outside the distribution centre, failed to despatch order while at the same recording them, failed to inform the ITS that the orders were not being despatched, proceeded to credit the orders not despatch and to deduct this from the sale of the ITS. For the period of three months, ITS attempted to have the situation corrected only to conclude that Orca/IPG would only respond if legal action was taken against them. The ITS proceeded to appoint lawyers and to terminate the agreement with Orca/IPG. The ITS was able to find alternative arrangements for its UK distribution (BookSource) and the contract will commence in August 2022. The new owners of Orca happened to be the ITS's North American distributors. In June, the ITS proceeded to give IPG notice of termination of their agreement for North American distribution and the ITS is at present working on alternative arrangements for North American distribution. The situation with Orca/IPG remains in the hands of our solicitors who are pursuing Orca/IPG for payment of all orders and return of the stock of the ITS.

Review of Activities

Though the ITS has been able to weather the major disruption caused by Orca/IPG, its production programmes and its sales have been affected. The ITS was only able to publish two new title in the year.

- Kashani Vol. 1
- Kashani Vol. 2

The trustees and the management committee will continue to fundraise on behalf of the trust in order to cover

ISLAMIC TEXTS SOCIETY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

the costs of the ongoing production programme. The running costs of the trust are mostly covered by the income from the sales of its titles. No material expenditure for future income generation is expected.

FINANCIAL REVIEW

Reserves Policy

The Society is funded from the sale proceeds of its publications and from its fundraising activities. It is therefore the policy of the Society to maintain unrestricted funds (excluding fixed assets), which are the free reserves of the Society, at a level which equates to approximately three months unrestricted expenditure (£48,275) in order to provide sufficient funds to cover the management and administration and support costs should there be a fall in income. Current unrestricted free reserves amount to £162,241, which is in excess of the policy.

Financial Review

The results for the year are set out in the attached financial statements. Sales of publications decreased during the year to £195,501 (2021: £247,644) and total expenditure amounted to £199,396 (2021: £234,240). At the end of the year the Society had net assets of £194,736 (2021: £173,573) although it is noted that the resale value of publications in stock significantly exceeds their book value.

PLANS FOR FUTURE PERIODS

The trust plans to continue to pursue its activities through the publication of new titles and through maintaining its backlist in stock.

The objective of the trust for the year is to publish six new titles:

- Al-Ghazali on Proper Conduct for the Recitation of the Qur'an HB
- Al-Ghazali on Proper Conduct for the Recitation of the Qur'an PB
- Kazaruni Vol.1
- Kazaruni Vol.2
- Attar: Religion of Love
- Sulami: Treatises on the Sufi Path

The manuscripts of the above six new titles are in the process of being edited, typeset, etc.

We will continue to liaise with authors and translators regarding commissioned manuscripts in the process of completion and will accept completed manuscripts that fit in with our aims and objectives.

A number of out-of-stock titles will also be reprinted. The ITS reviews the average annual sales of every title and divides the list into best-sellers (to be printed litho in quantities of 500 and above) and titles that sell less than 500 copies per year (to be printed Print on Demand (PoD) in quantities dependent on average annual sales). Over the past years since these programmes were implemented, we have noticed an increase in our sales due to the titles remaining permanently in stock. We will continue to monitor sales of individual titles and adjust averages and print quantities accordingly.

Sales representation is still being managed in-house. We continue to expand the means of targeting our trade and individual clients.

In the year 2022-23, the ITS is looking forward to recovering from the major disruption caused by the failure of its UK distributor to meet their contractual obligations (see below) and to focus more proactively on its production programmes.

ISLAMIC TEXTS SOCIETY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The principal object of the Society is to further knowledge about the vast heritage of Islam by building a library in the English language of classic works from the Islamic culture. The society is governed by a Trust Deed dated 4 November 1981 as amended on 16 November 2018.

Method of appointment or election of Trustees

The management of the Society is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust Deed by resolution at a meeting of the Trustees.

Organisational structure and decision making

The Trustees are responsible for establishing the overall policy of the Society and meet periodically to review progress in meeting the Society's objectives. The day-to-day execution of that policy is delegated to the Management Committee.

General risk management

The Trustees have examined the major strategic, business and operational risks which the ITS faces, in particular those related to the operations and finances of the ITS. Systems and procedures have been established to mitigate exposure to the major risks.

It has been recognised that the major strategic, business and operational risks are related to:

- the ability of the trust to raise sufficient funds to cover its production programmes especially given the challenges to fundraising and the imperative to ensure that all donations are accepted exclusively from recognised donors such as established ITS readers or donors known personally to the Trustees or managing director.
- the changing markets worldwide. In particular, the territorial rights where buyers or distributors are restricted to operate within a particular region are being disregarded more and more and this has affected the sales in North America. The Trustees are working to minimise this effect on the ITS through the enforcement of territorial rights and investigating the potential in future of having only one territory from which all sales are made.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees 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).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Society and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

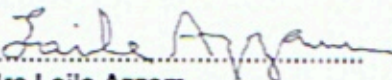
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject 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 Society will continue in business.

ISLAMIC TEXTS SOCIETY

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:


.....
Mrs Laila Azzam
Trustee
Date: 27/08/2022

ISLAMIC TEXTS SOCIETY

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2022

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ISLAMIC TEXTS SOCIETY ('the Society')

I report to the charity Trustees on my examination of the accounts of the Society for the year ended 31 March 2022.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the Society you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Society's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

Your attention is drawn to the fact that the Society has prepared the accounts in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Society as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Society's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Society's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Society and the Society's Trustees as a body, for my work or for this report.

Signed:

Michael Hewett

Mr M Hewett

Dated: 30 September 2022

FCA DChA

PETERS ELWORTHY & MOORE

Chartered Accountants
Cambridge

ISLAMIC TEXTS SOCIETY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOME FROM:					
Donations	2	3,219	520	3,739	6,266
Charitable activities	3	195,501	-	195,501	247,644
Investments	4	38	-	38	14
Other income	5	21,281	-	21,281	52,053
TOTAL INCOME		220,039	520	220,559	305,977
EXPENDITURE ON:					
Charitable activities	6	193,097	6,299	199,396	234,240
TOTAL EXPENDITURE		193,097	6,299	199,396	234,240
Net income/(expenditure)		26,942	(5,779)	21,163	71,737
Transfers between funds	12	18,701	(18,701)	-	-
NET MOVEMENT IN FUNDS		45,643	(24,480)	21,163	71,737
RECONCILIATION OF FUNDS:					
Total funds brought forward		116,598	56,975	173,573	101,836
Net movement in funds		45,643	(24,480)	21,163	71,737
TOTAL FUNDS CARRIED FORWARD		162,241	32,495	194,736	173,573

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

The notes on pages 9 to 20 form part of these financial statements.

ISLAMIC TEXTS SOCIETY

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	8	2,171	448
		<u>2,171</u>	<u>448</u>
CURRENT ASSETS			
Stocks	9	93,933	60,112
Debtors	10	45,405	62,940
Cash at bank and in hand		231,111	211,393
		<u>370,449</u>	<u>334,445</u>
CREDITORS: amounts falling due within one year	11	(177,884)	(161,320)
Net current assets		<u>192,565</u>	<u>173,125</u>
NET ASSETS		<u>194,736</u>	<u>173,573</u>
Charity funds			
Restricted funds	12	32,495	56,975
Unrestricted funds	12	162,241	116,598
Total funds		<u>194,736</u>	<u>173,573</u>

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

Mrs Laila Azzam
Trustee

Laila Azzam

Date: 27/08/2022

The notes on pages 9 to 20 form part of these financial statements.

ISLAMIC TEXTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition of the Charities SORP October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 (and subsequently updated) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Islamic Texts Society meets the definition of a public benefit entity as defined by FRS 102.

No significant estimates or judgements have been made by management in preparing these financial statements.

1.2 GOING CONCERN

The Trustees have reviewed the financial position of the Society, including the impact of COVID-19 and have reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on a going concern basis.

1.3 FUND ACCOUNTING

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

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

ISLAMIC TEXTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (CONTINUED)

1.4 INCOME

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

Publication income is recognised at the later of the publication date or receipt of a sales order.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Society; this is normally upon notification of the interest paid or payable by the Bank.

Donations, are recognised when the Society has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfillment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Other incoming resources represent amounts receivable under the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff. This income is recognised on the accruals basis, over the same period as the related expenditure.

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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

Support costs have been allocated between governance costs and other support costs. Support costs are those costs incurred directly in support of expenditure on the objects of the Society. Governance costs are those incurred in connection with administration of the Society and compliance with constitutional and statutory requirements.

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

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	10% straight line
Computer equipment	-	20% straight line
Other fixed assets	-	20% straight line

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (CONTINUED)

1.7 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 CASH AT BANK AND IN HAND

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

1.11 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the Society has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 FINANCIAL INSTRUMENTS

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

1.13 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the statement of financial activities.

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. INCOME FROM DONATIONS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	3,219	520	3,739	6,266
TOTAL 2022	<u>3,219</u>	<u>520</u>	<u>3,739</u>	<u>6,266</u>
TOTAL 2021	<u>5,196</u>	<u>1,070</u>	<u>6,266</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Publishing	191,949	191,949	247,457
Copyright income	3,552	3,552	187
TOTAL 2022	<u>195,501</u>	<u>195,501</u>	<u>247,644</u>
TOTAL 2021	<u>247,644</u>	<u>247,644</u>	

In 2021, all income from charitable activities was unrestricted.

4. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Interest receivable	38	38	14
TOTAL 2022	<u>38</u>	<u>38</u>	<u>14</u>
TOTAL 2021	<u>14</u>	<u>14</u>	

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. OTHER INCOMING RESOURCES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Job retention scheme	21,281	21,281	52,053
TOTAL 2022	<u>21,281</u>	<u>21,281</u>	<u>52,053</u>
TOTAL 2021	<u>52,053</u>	<u>52,053</u>	

Other incoming resources represent amounts receivable under the Coronavirus Job Retention Scheme (CJRS) of £21,281 (2021 - £52,053) to cover salaries of furloughed staff.

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support and governance costs 2022 £	Total funds 2022 £	Total funds 2021 £
Publishing	83,262	116,134	199,396	234,240
TOTAL 2022	<u>83,262</u>	<u>116,134</u>	<u>199,396</u>	<u>234,240</u>
TOTAL 2021	<u>116,901</u>	<u>117,339</u>	<u>234,240</u>	

In 2021, of the total expenditure, £NIL was attributable to expenditure from restricted funds and £234,240 was expenditure attributable to unrestricted funds.

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Publishing 2022 £	Total funds 2022 £	Total funds 2021 £
Staff commissions	15,213	15,213	12,643
Costs of producing publications	13,879	13,879	53,223
Packing, distribution and commission	45,231	45,231	39,326
Royalties payable	8,939	8,939	11,709
	<u>83,262</u>	<u>83,262</u>	<u>116,901</u>
TOTAL 2021	<u>116,901</u>	<u>116,901</u>	

ANALYSIS OF SUPPORT COSTS

	Publishing 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	70,456	70,456	69,224
Depreciation	479	479	304
Printing and stationery	1,027	1,027	790
Telephone and internet	945	945	1,184
Rent and rates	17,090	17,090	16,872
Insurance	277	277	238
Computer expenses	1,204	1,204	804
Bank interest and charges	886	886	1,489
Subscriptions	1,515	1,515	1,344
f/x loss/(gain)	-	-	3
Bad debt	241	241	3,322
Marketing and fundraising expenses	7,900	7,900	10,166
Legal and professional fees	1,963	1,963	-
Bookkeeping fees	8,396	8,396	8,094
Independent examination and accountancy fees (governance)	3,755	3,755	3,505
	<u>116,134</u>	<u>116,134</u>	<u>117,339</u>
TOTAL 2021	<u>117,339</u>	<u>117,339</u>	

ISLAMIC TEXTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. STAFF COSTS, KEY MANAGEMENT PERSONNEL AND TRUSTEES' REMUNERATION AND EXPENSES

	2022 £	2021 £
Wages and salaries	81,621	77,522
Social security costs	4,048	4,345
	<u>85,669</u>	<u>81,867</u>

The average number of persons employed by the Society during the year was as follows:

	2022 No.	2021 No.
Publishing	<u>2</u>	<u>2</u>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity comprises the Trustees and the Secretary. The Trustees all give their time and expertise without any kind of remuneration or other benefit in kind (2021: £Nil). The total employment benefits, including employers national insurance, of key management personnel were £41,597 (2021: £36,342).

No trustees received reimbursed travel expenses during the year (2021: £Nil).

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Other fixed assets £	Total £
COST OR VALUATION				
At 1 April 2021	1,107	6,211	1,863	9,181
Additions	-	2,201	-	2,201
At 31 March 2022	1,107	8,412	1,863	11,382
DEPRECIATION				
At 1 April 2021	1,071	5,799	1,863	8,733
Charge for the year	12	466	-	478
At 31 March 2022	1,083	6,265	1,863	9,211
NET BOOK VALUE				
At 31 March 2022	24	2,147	-	2,171
At 31 March 2021	36	412	-	448

9. STOCKS

	2022 £	2021 £
Work in progress	2,281	5,292
Stocks of published books	91,652	54,820
	93,933	60,112

ISLAMIC TEXTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. DEBTORS

	2022 £	2021 £
DUE WITHIN ONE YEAR		
Trade debtors	43,327	60,348
Other debtors	2,023	1,582
Prepayments	55	1,010
	<u>45,405</u>	<u>62,940</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	14,453	16,363
Other taxation and social security	1,705	2,229
Other creditors	155,415	136,590
Accruals	6,311	6,138
	<u>177,884</u>	<u>161,320</u>

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
UNRESTRICTED FUNDS					
General Funds - all funds	116,598	220,039	(193,097)	18,701	162,241
RESTRICTED FUNDS					
Royalties	5,905	-	-	-	5,905
Razi Volume 2	10,000	-	-	-	10,000
Kashani Volume 1	12,500	-	(2,692)	(9,808)	-
Kashani Volume 2	12,500	-	(3,607)	(8,893)	-
Kazaruni Volume 1 & 2	15,000	-	-	-	15,000
Al Ghazali	1,070	520	-	-	1,590
	<u>56,975</u>	<u>520</u>	<u>(6,299)</u>	<u>(18,701)</u>	<u>32,495</u>
TOTAL OF FUNDS	<u><u>173,573</u></u>	<u><u>220,559</u></u>	<u><u>(199,396)</u></u>	<u><u>-</u></u>	<u><u>194,736</u></u>

Purpose of Funds

The General Fund represents unrestricted funds available to support the Society's charitable objectives.

The Royalties restricted fund represents funding towards helping the charity pay off its liabilities for royalties and foreign language rights. These liabilities are included within 'Other Creditors' in the accounts.

Donations were received in the year towards publishing AL Ghazali titles. As these titles are yet to be published, the funds have been carried forward at the year end.

Donations were historically received in previous years towards publishing titles 'Kashani vol 1', Kashani vol 2' and Kazaruni vol 1 & 2' and 'Razi: 'Mafatih al-Ghayb vol 2'. Kashani vol 1 and Kashani vol 2 were published in the year the fund balances were transferred to unrestricted.

As the remaining titles are yet to be published, the funds have been carried forward at the year end.

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
UNRESTRICTED FUNDS				
General Funds - all funds	45,931	304,907	(234,240)	116,598
RESTRICTED FUNDS				
Royalties	5,905	-	-	5,905
Razi Volume 2	10,000	-	-	10,000
Kashani Volume 1	12,500	-	-	12,500
Kashani Volume 2	12,500	-	-	12,500
Kazaruni Volume 1 & 2	15,000	-	-	15,000
Al Ghazali	-	1,070	-	1,070
	<u>55,905</u>	<u>1,070</u>	<u>-</u>	<u>56,975</u>
TOTAL OF FUNDS	<u><u>101,836</u></u>	<u><u>305,977</u></u>	<u><u>(234,240)</u></u>	<u><u>173,573</u></u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	2,171	-	2,171
Current assets	332,049	38,400	370,449
Creditors due within one year	(171,979)	(5,905)	(177,884)
TOTAL	<u><u>162,241</u></u>	<u><u>32,495</u></u>	<u><u>194,736</u></u>

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	448	-	448
Current assets	271,565	62,880	334,445
Creditors due within one year	(155,415)	(5,905)	(161,320)
TOTAL	<u>116,598</u>	<u>56,975</u>	<u>173,573</u>

14. OPERATING LEASE COMMITMENTS

At 31 March 2022 the Society had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	15,000	15,000
Later than 1 year and not later than 5 years	32,500	47,500
	<u>47,500</u>	<u>62,500</u>

15. RELATED PARTY TRANSACTIONS

During the year, the Society continued to rent the Miller's House, which is part of The King's Mill in Great Shelford, a property in which the Society's Trustees have an interest.

The Society has rented its offices at this property from the King's Mill Trust since 1 June 2010 at an annual rent of £15,000 per annum. The annual rent payable was calculated on the square footage prices of office spaces in the Great Shelford area. The rent paid in the year to 31 March 2022 amounted to £15,000 (2021: £15,000).

Mrs N Azzam (Trustee) and Miss F Azzam (Secretary) are trustees of the King's Mill Trust and Dr K Azzam, Mrs L Azzam, Dr A R Azzam, Mrs N Azzam and Miss F Azzam are beneficiaries of the King's Mill Trust.

16. CONTROLLING PARTY

The Society is under the control of its Trustees who are listed on page 1 of the financial statements.

ISLAMIC TEXTS SOCIETY

England & Wales - Charity number 283832

Accounts

ISLAMIC TEXTS SOCIETY

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

ISLAMIC TEXTS SOCIETY

CONTENTS

	Page
Reference and administrative details of the Society, its Trustees and advisers	1
Trustees' report	2 - 5
Independent examiner's report	6
Statement of financial activities	7
Balance sheet	8
Notes to the financial statements	9 - 20

ISLAMIC TEXTS SOCIETY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE SOCIETY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021

Trustees	HRH Prince Amr al-Faisal Dr Khaled Azzam Mrs Laila Azzam Dr Abdul Rahman Azzam Mrs Nagla Azzam
Charity registered number	283832
Principal office	Millers House Kings Mill Lane Great Shelford Cambridge CB22 5EN
Secretary	Miss Fatima Azzam
Accountants	Peters Elworthy & Moore Chartered Accountants Salisbury House Station Road Cambridge CB1 2LA
Bankers	HSBC Bank plc PO Box 85 City Office Cambridge CB2 3NZ

ISLAMIC TEXTS SOCIETY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees submit their annual report and the unaudited financial statements of Islamic Texts Society (the Society) for the year ended 31 March 2021. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Policies and objectives

The trust aims to further knowledge about the heritage of Islam. It aims to build a library in the English language of translations of classic works from the Islamic culture and thus to make available, sometimes for the first time ever, works on theology, law, philosophy, mysticism, the sciences, etc. By so doing, it aims to contribute to the knowledge of academics, students, and all those interested in Islam. The trust also aims at publishing works of general interest about Islam and its relation to other religions. The objective here is to contribute to the ongoing inter-faith debate.

Public benefit

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The Society is a registered charity whose primary charitable purpose defined by the Charities Act 2011 is to advance the education of the public in Islamic and the Muslim religion and culture by means of the publication and sale of books from the Islamic heritage or by such other means as the trustees shall determine from time to time. The charity provides public benefit by making such texts available to a wide audience.

ACHIEVEMENTS AND PERFORMANCE

The aim of the Trust is to bring out new titles each year, as well as maintaining its backlist in stock. The situation with Covid-19 has restricted our activities but we have still been able to maintain the overall functioning of the publishing house and overseeing the production and reprint programmes.

Due to the ongoing situation with Covid-19, the Trust was unable to produce any new titles in the year. This is partly due to the reduced working hours of the ITS staff and to the complications faced by scholars in completing their manuscripts without the support of academic libraries and other resources. We have maintained our backlist in stock and focussed on reprints. Fortunately, sales throughout the year have increased both in the UK and in North America.

The trustees and the management committee will continue to fundraise on behalf of the trust in order to cover the costs of the ongoing production programme. The running costs of the trust are mostly covered by the income from the sales of its titles. No material expenditure for future income generation is expected

FINANCIAL REVIEW

Reserves Policy

The Society is funded from the sale proceeds of its publications and from its fundraising activities. It is therefore the policy of the Society to maintain unrestricted funds (excluding fixed assets), which are the free reserves of the Society, at a level which equates to approximately three months unrestricted expenditure (£58,710) in order to provide sufficient funds to cover the management and administration and support costs should there be a fall in income. Current unrestricted free reserves amount to £116,150, which is in excess of the policy due to an increase in sales as explained above.

ISLAMIC TEXTS SOCIETY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Financial Review

The results for the year are set out in the attached financial statements. Sales of publications increased during the year to £247,644 (2020: £179,082) and total expenditure amounted to £234,240 (2020: £209,581). At the end of the year the Society had net assets of £173,573 (2020: £101,836) although it is noted that the resale value of publications in stock significantly exceeds their book value.

PLANS FOR FUTURE PERIODS

Impact of COVID-19

The ongoing situation with COVID-19 is a major challenge for all charities. The Trustees have been monitoring and responding to the situation month by month and will continue to do so. The Trust has taken advantage of the Job Retention Scheme provided by the government and will continue to use the scheme until it comes to an end on 30 September 2021.

The Trustees have also been monitoring the sales of the Trust's titles and have been pleased to note that sales and income have increased both in the UK and in North America. There is a growing interest in e-books and the Trust will now move towards converting most of its titles to e-books which should bring in a new source of revenue.

The situation with fundraising is complicated given the inability to travel and to meet with our major donors. The Trustees will take advantage of any possibilities for travel and for meeting with donors and will continue to fundraise for the Trust as best as they can.

It is hoped that the sales of our titles will continue to remain high in order to mitigate the need to fundraise and that the new income from e-books will also help with this. The Trustees believe that the continuing sales/income and the reserves held by the Trust will be sufficient to keep the Trust as a going concern and to see it through the next twelve months.

Future developments

The trust plans to continue to pursue its activities through the publication of new titles and through maintaining its backlist in stock. The objective of the trust for the year is to publish four new titles:

- Al-Ghazali on Proper Conduct for the Recitation of the Qur'an HB
- Al-Ghazali on Proper Conduct for the Recitation of the Qur'an PB
- Kashani Vol.1
- Kashani Vol.2

The manuscripts of the above four new titles are in the process of being edited, typeset, etc.

We will continue to liaise with authors and translators regarding commissioned manuscripts in the process of completion and will accept completed manuscripts that fit in with our aims and objectives.

A number of out-of-stock titles will also be reprinted. The ITS reviews the average annual sales of every title and divides the list into best-sellers (to be printed litho in quantities of 500 and above) and titles that sell less than 500 copies per year (to be printed Print on Demand (PoD) in quantities dependent on average annual sales). Both our distributors in the UK and the US now provide print-on-demand facilities and we have set up our PoD titles on their systems. This means that as soon as a title reaches a minimum quantity, the distributors will print an agreed number of copies to keep the title constantly in stock. Over the past years since these programmes were implemented, we have noticed an increase in our sales due to the titles remaining permanently in stock. We will continue to monitor sales of individual titles and adjust averages and print quantities accordingly.

Sales representation is still being managed in-house. We continue to expand the means of targeting our trade and individual clients. Unfortunately in April 2020 and due to Covid-19, our annual meeting at the London Book

ISLAMIC TEXTS SOCIETY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Fair with our distributors in the UK and North America was cancelled for the second time. These meetings are essential for the assessment of our sales in the different territories and for providing information on forthcoming titles and reprints. We have continued to remain in touch with our distributors by email and to monitor the sales and update them with forthcoming title information. It is hoped that the next London Book Fair will take place and that we will be able to resume annual meetings again.

Given the situation with Covid-19 and the increase in interest in the e-book format, the Trust will be converting most of its titles into e-books.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The principal object of the Society is to further knowledge about the vast heritage of Islam by building a library in the English language of classic works from the Islamic culture. The society is governed by a Trust Deed dated 4 November 1981 as amended on 16 November 2018.

Method of appointment or election of Trustees

The management of the Society is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust Deed by resolution at a meeting of the Trustees.

Organisational structure and decision making

The Trustees are responsible for establishing the overall policy of the Society and meet periodically to review progress in meeting the Society's objectives. The day-to-day execution of that policy is delegated to the Management Committee.

General risk management

The Trustees have examined the major strategic, business and operational risks which the ITS faces, in particular those related to the operations and finances of the ITS. Systems and procedures have been established to mitigate exposure to the major risks. Please see also the separate paragraph on COVID-19 Risk Assessment and Management above.

It has been recognised that the major strategic, business and operational risks are related to:

- the ability of the trust to raise sufficient funds to cover its production programme's especially given the challenges to fundraising and the imperative to ensure that all donations are accepted exclusively from recognised donors such as established ITS readers or donors known personally to the Trustees or managing director.

- the changing markets worldwide. In particular, the territorial rights where buyers or distributors are restricted to operate within a particular region are being disregarded more and more and this has affected the sales in North America. The Trustees are working to minimise this effect on the ITS through the enforcement of territorial rights and investigating the potential in future of having only one territory from which all sales are made.

ISLAMIC TEXTS SOCIETY

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

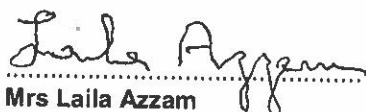
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Society and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Society will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Mrs Laila Azzam
Trustee

Date: 27/08/21

ISLAMIC TEXTS SOCIETY

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ISLAMIC TEXTS SOCIETY ('the Society')

I report to the charity Trustees on my examination of the accounts of the Society for the year ended 31 March 2021.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the Society you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Society's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

Since the Society's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of (enter body here), which is one of the listed bodies.

Your attention is drawn to the fact that the Society has prepared the accounts in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Society as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Society's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Society's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Society and the Society's Trustees as a body, for my work or for this report.

Signed: *Michael Hewett*

Mr M Hewett

Dated: *13 September 2021*

ACA DChA

PETERS ELWORTHY & MOORE

Chartered Accountants

Cambridge

ISLAMIC TEXTS SOCIETY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:					
Donations	2	5,196	1,070	6,266	52,201
Charitable activities	3	247,644	-	247,644	179,082
Investments	4	14	-	14	4
Other income	5	52,053	-	52,053	1,371
		<u>304,907</u>	<u>1,070</u>	<u>305,977</u>	<u>232,658</u>
TOTAL INCOME					
EXPENDITURE ON:					
Charitable activities	6	234,240	-	234,240	209,581
		<u>234,240</u>	<u>-</u>	<u>234,240</u>	<u>209,581</u>
TOTAL EXPENDITURE					
		<u>70,667</u>	<u>1,070</u>	<u>71,737</u>	<u>23,077</u>
NET MOVEMENT IN FUNDS					
RECONCILIATION OF FUNDS:					
Total funds brought forward		45,931	55,905	101,836	78,759
Net movement in funds		70,667	1,070	71,737	23,077
		<u>116,598</u>	<u>56,975</u>	<u>173,573</u>	<u>101,836</u>
TOTAL FUNDS CARRIED FORWARD					

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

The notes on pages 9 to 20 form part of these financial statements.

ISLAMIC TEXTS SOCIETY

**BALANCE SHEET
AS AT 31 MARCH 2021**

	Note		2021 £	2020 £
FIXED ASSETS				
Tangible assets	8		448	611
			448	611
CURRENT ASSETS				
Stocks	9	60,112	50,394	
Debtors	10	62,940	53,491	
Cash at bank and in hand		211,393	136,493	
		334,445	240,378	
CREDITORS: amounts falling due within one year	11	(161,320)	(139,153)	
Net current assets			173,125	101,225
NET ASSETS			173,573	101,836
Charity funds				
Restricted funds	12		56,975	55,905
Unrestricted funds	12		116,598	45,931
Total funds			173,573	101,836

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

Laila Azzam

**Mrs Laila Azzam
Trustee**

Date: 27/08/21

The notes on pages 9 to 20 form part of these financial statements.

ISLAMIC TEXTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition of the Charities SORP October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 (and subsequently updated) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Islamic Texts Society meets the definition of a public benefit entity as defined by FRS 102.

No significant estimates or judgements have been made by management in preparing these financial statements.

1.2 GOING CONCERN

The Trustees have reviewed the financial position of the Society, including the impact of COVID-19 and have reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on a going concern basis.

1.3 FUND ACCOUNTING

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

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

ISLAMIC TEXTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.4 INCOME

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

Publication income is recognised at the later of the publication date or receipt of a sales order.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Society; this is normally upon notification of the interest paid or payable by the Bank.

Donations, are recognised when the Society has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfillment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Other incoming resources represent amounts receivable under the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff. This income is recognised on the accruals basis, over the same period as the related expenditure.

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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

Support costs have been allocated between governance costs and other support costs. Support costs are those costs incurred directly in support of expenditure on the objects of the Society. Governance costs are those incurred in connection with administration of the Society and compliance with constitutional and statutory requirements.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	10% straight line
Computer equipment	-	20% straight line
Other fixed assets	-	20% straight line

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES (CONTINUED)

1.7 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 CASH AT BANK AND IN HAND

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

1.11 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the Society has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 FINANCIAL INSTRUMENTS

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

1.13 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the statement of financial activities.

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. INCOME FROM DONATIONS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	5,196	1,070	6,266	52,201
TOTAL 2021	5,196	1,070	6,266	52,201
TOTAL 2020	9,201	43,000	52,201	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Publishing	247,457	247,457	178,942
Copyright income	187	187	140
TOTAL 2021	247,644	247,644	179,082
TOTAL 2020	179,082	179,082	

In 2020, all income from charitable activities was unrestricted.

4. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Interest receivable	14	14	4
TOTAL 2021	14	14	4
TOTAL 2020	4	4	

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. OTHER INCOMING RESOURCES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Job retention scheme	52,053	52,053	1,371
TOTAL 2021	52,053	52,053	1,371
TOTAL 2020	1,371	1,371	

Other incoming resources represent amounts receivable under the Coronavirus Job Retention Scheme (CJRS) of £52,053 (2020 - £1,371) to cover salaries of furloughed staff.

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support and governance costs 2021 £	Total funds 2021 £	Total funds 2020 £
Publishing	116,901	117,339	234,240	209,581
TOTAL 2021	116,901	117,339	234,240	209,581
TOTAL 2020	93,910	115,671	209,581	

In 2020, of the total expenditure, £NIL was attributable to expenditure from restricted funds and £209,581 was expenditure attributable to unrestricted funds.

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Publishing 2021 £	Total funds 2021 £	Total funds 2020 £
Staff commissions	12,643	12,643	10,092
Costs of producing publications	53,223	53,223	47,008
Packing, distribution and commission	39,326	39,326	29,189
Royalties payable	11,709	11,709	7,621
	<u>116,901</u>	<u>116,901</u>	<u>93,910</u>
TOTAL 2020	<u>93,910</u>	<u>93,910</u>	

ANALYSIS OF SUPPORT COSTS

	Publishing 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	69,224	69,224	69,599
Depreciation	304	304	395
Printing and stationery	790	790	586
Telephone and internet	1,184	1,184	1,116
Rent and rates	16,872	16,872	16,998
Insurance	238	238	245
Repairs and renewals	-	-	10
Computer expenses	804	804	646
Bank interest and charges	1,489	1,489	1,269
Subscriptions	1,344	1,344	1,369
f/x loss/(gain)	3	3	(198)
Bad debt	3,322	3,322	12
Marketing and fundraising expenses	10,166	10,166	13,856
Bookkeeping fees	8,094	8,094	6,349
Independent examination and accountancy fees (governance)	3,505	3,505	3,419
	<u>117,339</u>	<u>117,339</u>	<u>115,671</u>
TOTAL 2020	<u>115,671</u>	<u>115,671</u>	

ISLAMIC TEXTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. STAFF COSTS, KEY MANAGEMENT PERSONNEL AND TRUSTEES' REMUNERATION AND EXPENSES

	2021 £	2020 £
Wages and salaries	77,522	74,733
Social security costs	4,345	4,958
	<u>81,867</u>	<u>79,691</u>

The average number of persons employed by the Society during the year was as follows:

	2021 No.	2020 No.
Publishing	<u>2</u>	<u>2</u>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity comprises the Trustees and the Secretary. The Trustees all give their time and expertise without any kind of remuneration or other benefit in kind (2020: £Nil). The total employment benefits, including employers national insurance, of key management personnel were £36,342 (2020: £36,363).

No trustees received reimbursed travel expenses during the year (2020: £Nil).

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Other fixed assets £	Total £
COST OR VALUATION				
At 1 April 2020	1,107	6,070	1,863	9,040
Additions	-	141	-	141
At 31 March 2021	<u>1,107</u>	<u>6,211</u>	<u>1,863</u>	<u>9,181</u>
DEPRECIATION				
At 1 April 2020	1,001	5,565	1,863	8,429
Charge for the year	70	234	-	304
At 31 March 2021	<u>1,071</u>	<u>5,799</u>	<u>1,863</u>	<u>8,733</u>
NET BOOK VALUE				
At 31 March 2021	<u>36</u>	<u>412</u>	<u>-</u>	<u>448</u>
At 31 March 2020	<u>106</u>	<u>505</u>	<u>-</u>	<u>611</u>

9. STOCKS

	2021 £	2020 £
Work in progress	5,292	3,292
Stocks of published books	54,820	47,102
	<u>60,112</u>	<u>50,394</u>

ISLAMIC TEXTS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	60,348	49,995
Other debtors	1,582	2,506
Prepayments	1,010	990
	<u>62,940</u>	<u>53,491</u>

Other debtors includes £Nil for the Government provided coronavirus job retention scheme (CJRS) (2020: £1,371).

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	16,363	5,269
Other taxation and social security	2,229	2,097
Other creditors	136,590	126,604
Accruals	6,138	5,183
	<u>161,320</u>	<u>139,153</u>

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
UNRESTRICTED FUNDS				
General Funds - all funds	45,931	304,907	(234,240)	116,598
RESTRICTED FUNDS				
Royalties	5,905	-	-	5,905
Razi Volume 2	10,000	-	-	10,000
Kashani Volume 1	12,500	-	-	12,500
Kashani Volume 2	12,500	-	-	12,500
Kazaruni Volume 1 & 2	15,000	-	-	15,000
Al Ghazali	-	1,070	-	1,070
	<u>55,905</u>	<u>1,070</u>	<u>-</u>	<u>56,975</u>
TOTAL OF FUNDS	<u><u>101,836</u></u>	<u><u>305,977</u></u>	<u><u>(234,240)</u></u>	<u><u>173,573</u></u>

Purpose of Funds

The General Fund represents unrestricted funds available to support the Society's charitable objectives.

The Royalties restricted fund represents funding towards helping the charity pay off its liabilities for royalties and foreign language rights. These liabilities are included within 'Other Creditors' in the accounts.

Donations were received in the year towards publishing AL Ghazali titles. As these titles are yet to be published, the funds have been carried forward at the year end.

Donations were historically received in previous years towards publishing titles 'Kashani vol 1', 'Kashani vol 2' and 'Kazaruni vol 1 & 2' and 'Razi: 'Mafatih al-Ghayb vol 2'. As these titles are yet to be published, the funds have been carried forward at the year end.

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
UNRESTRICTED FUNDS				
General Funds - all funds	65,854	189,658	(209,581)	45,931
RESTRICTED FUNDS				
Royalties	5,905	-	-	5,905
Razi Volume 2	7,000	3,000	-	10,000
Kashani Volume 1	-	12,500	-	12,500
Kashani Volume 2	-	12,500	-	12,500
Kazaruni Volume 1 & 2	-	15,000	-	15,000
	<u>12,905</u>	<u>43,000</u>	<u>-</u>	<u>55,905</u>
TOTAL OF FUNDS	<u>78,759</u>	<u>43,000</u>	<u>(209,581)</u>	<u>101,836</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	448	-	448
Current assets	271,565	62,880	334,445
Creditors due within one year	(155,415)	(5,905)	(161,320)
TOTAL	<u>116,598</u>	<u>56,975</u>	<u>173,573</u>

ISLAMIC TEXTS SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	611	-	611
Current assets	178,568	61,810	240,378
Creditors due within one year	(133,248)	(5,905)	(139,153)
TOTAL	45,931	55,905	101,836

14. OPERATING LEASE COMMITMENTS

At 31 March 2021 the Society had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	15,000	2,500
Later than 1 year and not later than 5 years	47,500	-
	62,500	2,500

15. RELATED PARTY TRANSACTIONS

During the year, the Society continued to rent the Miller's House, which is part of The King's Mill in Great Shelford, a property in which the Society's Trustees have an interest.

The Society has rented its offices at this property from the King's Mill Trust since 1 June 2010 at an annual rent of £15,000 per annum. The annual rent payable was calculated on the square footage prices of office spaces in the Great Shelford area. The rent paid in the year to 31 March 2021 amounted to £15,000 (2020: £15,000).

Mrs N Azzam (Trustee) and Miss F Azzam (Secretary) are trustees of the King's Mill Trust and Dr K Azzam, Mrs L Azzam, Dr A R Azzam, Mrs N Azzam and Miss F Azzam are beneficiaries of the King's Mill Trust.

16. CONTROLLING PARTY

The Society is under the control of its Trustees who are listed on page 1 of the financial statements.