
ISLAMIC TEXTS SOCIETY

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

ISLAMIC TEXTS SOCIETY

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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 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

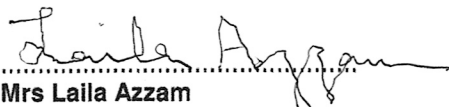
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial 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: 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.

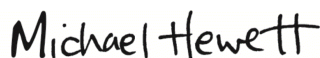
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

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:



Dated: 20 September 2023

Mr M Hewett

FCA DChA

PETERS ELWORTHY & MOOREChartered 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 |
| | | <u>2,142</u> | <u>2,171</u> |
| CURRENT ASSETS | | | |
| Stocks | 9 | 79,114 | 93,933 |
| Debtors | 10 | 160,148 | 45,405 |
| Cash at bank and in hand | | 185,945 | 231,111 |
| | | <u>425,207</u> | <u>370,449</u> |
| CREDITORS: amounts falling due within one year | 11 | (190,398) | (177,884) |
| Net current assets | | <u>234,809</u> | <u>192,565</u> |
| NET ASSETS | | <u><u>236,951</u></u> | <u><u>194,736</u></u> |
| Charity funds | | | |
| Restricted funds | 12 | 32,585 | 32,495 |
| Unrestricted funds | 12 | 204,366 | 162,241 |
| Total funds | | <u><u>236,951</u></u> | <u><u>194,736</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: 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> |
| | <u><u>83,262</u></u> | <u><u>83,262</u></u> | |
| TOTAL 2022 | | | |

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> |
| | <u><u>116,134</u></u> | <u><u>116,134</u></u> | |
| TOTAL 2022 | | | |

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 |
| | <u>160,148</u> | <u>45,405</u> |

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 |
| | <u>190,398</u> | <u>177,884</u> |

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 |
| | 56,975 | 520 | (6,299) | (18,701) | 32,495 |
| TOTAL OF FUNDS | 173,573 | 220,559 | (199,396) | - | 194,736 |

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 | 204,366 | 32,585 | 236,951 |

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.