Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

CHARITY REGISTRATION NUMBER: SC031858

ASSOCIATION OF SCOTTISH MUSLIMS

Financial Statements

31 March 2025

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

ASSOCIATION OF SCOTTISH MUSLIMS

Financial Statements

Year ended 31 March 2025

	Page
Trustees' annual report	1
Trustees' responsibilities statement	5
Independent auditor's report to the members	6
Statement of financial activities	10
Statement of financial position	11
Statement of cash flows	12
Notes to the financial statements	13

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

ASSOCIATION OF SCOTTISH MUSLIMS

Trustees' Annual Report

Year ended 31 March 2025

The trustees present their report and the financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of 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) (effective 1 January 2019).

Reference and administrative details

Registered charity name	ASSOCIATION OF SCOTTISH MUSLIMS
Charity registration number	SC031858
Principal office	80 Main Street Davidson's Mains Edinburgh EH4 5AB

Trustees	Mr Mohammad Azhar Ghafoor (Chair)	
	Mrs Naheed Ghafoor	(Appointed 16 September 2024)
	Mr Sohail Ashfaque (Head Teacher)	
	Mrs Tuyubah Jamil	(Appointed 16 September 2024)
	Mrs Tehamena Mohammed	(Appointed 16 September 2024)
	Mr Mohammed Asif Shabbir	(Appointed 16 September 2024)

Auditors	Shareef Chartered Accountants 4 Highlands Court Crammore Avenue Solihull B90 4LE
Bankers	Bank of Scotland plc The Mound Edinburgh EH1 1YZ
Solicitors	Bon Law Ltd Unit 2 New Hailes Business Park New Hailes Road Musselburgh EH21 6RH

Structure, governance and management

The charity is an unincorporated association governed by its constitution, which was updated on 16 September 2024. The objects of the charity remain unchanged in the updated constitution.

The trustees administer the charity. Charity trustees are either life charity trustees or elected charity trustees. There must at all times be no less than three and no more than five life charity trustees. Nominees for election as a charity trustees must be approved by the Chairperson. The Chairperson is a life charity trustee.

As regards membership of the Association: all persons appointed as charity trustees shall on their appointment also become members of the Association. Additional members are appointed at the sole discretion of the charity trustees.

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

Objectives and activities

The objects of the Association, as recorded in our constitution, are:

To promote the physical, intellectual, social, moral and spiritual development of all members of the Muslim community and in particular of young people, through the provision of a broad range of educational, recreational and welfare opportunities; and

To promote good relations in the interest of racial harmony and mutual respect between the Muslim community and in all other communities and thus enabling the Muslim community to participate in and contribute fully to all aspects of civic life.

The charity's specific objectives during 2024/25 were to:

- Provide a place of worship as a mosque and Islamic learning centre
- Provide religious education for approximately 400 children
- Provide adult religious education classes
- Offer pastoral care and community services, including counselling, marriages and funerals
- Deliver services that promote social cohesion and wider public benefit
- Identify and secure a second building to provide a mosque for the Broomhouse area of Edinburgh

Activities carried out during the year included:

- Delivered five daily prayers and weekly Friday sermons (khutbahs)
- Delivered Islamic classes for children and adults (approximately 400 children enrolled), held across weekdays and weekends
- Delivered women's activities, including learning circles, coffee mornings, childcare sessions, boxercise, yoga and other exercise classes in response to community demand
- Provided food parcels to approximately 600 households across Edinburgh in partnership with Islamic Relief, including support from local schools for priority deliveries
- Delivered youth engagement sports sessions, including football and basketball
- Continued to provide online classes for children who were unable to attend the mosque in person

Achievements and performance

During 2024/25, ASM achieved the following:

- Provided over 4,000 hot evening meals during Ramadan
- Strengthened teacher training for Islamic studies classes
- Delivered ongoing training for teaching staff on policies and procedures
- Increased women's participation in daily prayers
- Held interfaith open days for local schools, welcoming more than 500 visitors
- Successfully achieved religious education for 400 children throughout the year during weekday and weekend classes
- During the year we acquired a new mosque branch in Broomhouse, Edinburgh and plan to initiate educational and other activities at this location.

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

Financial review

As a result of the surplus of £508,958 for the year, total funds increased to £2,101,227 at the year end. All of the funds are unrestricted with £59,731 being designated for use in building an extension to Blackhall Mosque.

Risk management

The trustees review the charity's principal risks at least annually and maintain a risk register. The annual risk assessment covers:

- Financial management and internal controls
- Safeguarding, including safer recruitment and volunteer management
- Health and safety compliance
- Premises and building security
- Cybersecurity and data protection

Mitigation measures during the year included upgrading CCTV, operating dual authorisation for bank payments, and carrying out DBS checks for relevant staff.

Contribution of Volunteers to the Charity

Volunteers make an invaluable contribution to the charity and are essential to its ongoing operations and financial sustainability. The charity relies heavily on the time, skills and dedication of its volunteers to deliver its activities and services to the community.

The charity has approximately 30–40 volunteers across its two mosque locations who assist with various operational, administrative and community-related activities.

Without the substantial contribution of these volunteers, the charity would face significantly higher operating costs, and it would not be financially viable to deliver its current range of activities and services at the same scale.

The charity is extremely grateful for the continued commitment and support of its volunteers, whose contributions enable it to maximise the use of its financial resources for charitable purposes.

Reserves Policy

The charity holds reserves to ensure its long-term financial stability and sustainability. These reserves are intended to provide financial security, support the charity's ongoing operations and charitable activities, and facilitate the potential future purchase of commercial properties to support the charity's long-term objectives.

The level of reserves held is intended to help the charity manage unforeseen financial commitments, maintain operational continuity and plan for future development.

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

ASSOCIATION OF SCOTTISH MUSLIMS

Trustees' Annual Report *(continued)*

Year ended 31 March 2025

Plans for future periods

During 2025/26, the trustees plan to focus on the following priorities to support the charity's objectives and community benefit:

- Deliver Phase 2 of the building renovation programme (wudu area and classrooms)
- Expand youth mentoring and engagement programmes
- Introduce ESOL classes for refugees and new arrivals
- Establish a zakat advisory committee to support consistent guidance and decision-making
- Improve digital services, including online classes and livestreaming of Friday sermons (khutbahs)

Funds held as custodian trustee

ASM does not hold any funds as a custodian trustee for other organisations.

The trustees confirm that they have complied with their statutory duties, including maintaining proper accounting records, preparing annual accounts, and safeguarding the charity's assets in accordance with Scottish charity law.

The trustees' annual report was approved on 28 October 2026 and signed on behalf of the board of trustees by:

DocuSigned by:

8B1042725B43423...

Mr Mohammad Azhar Ghafoor (Chair)
Trustee

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

ASSOCIATION OF SCOTTISH MUSLIMS

Trustees' Responsibilities Statement

Year ended 31 March 2025

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 Scotland requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity 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 in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustees Investments (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

ASSOCIATION OF SCOTTISH MUSLIMS

Independent Auditor's Report to the Members of ASSOCIATION OF SCOTTISH MUSLIMS

Year ended 31 March 2025

Opinion

We have audited the financial statements of ASSOCIATION OF SCOTTISH MUSLIMS (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Matter

The Chairty’s accounts for the prior year were not required to be audited. Therefore, we have not audited the comparative figures in the 2025 accounts.

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Shareef & Co Ltd
0A8ABCED9753496...

Shareef, Chartered Accountants, Statutory Auditor
4 Highlands Court
Cranmore Avenue
Solihull
West Midlands
B90 4LE

Shareef, Chartered Accountants are eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Dated 28 October 2026

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

ASSOCIATION OF SCOTTISH MUSLIMS

Statement of Financial Activities

Year ended 31 March 2025

	Note	2025 Unrestricted funds £	2025 Restricted funds £	2025 **Total funds** £	2024 Total funds £
Income and endowments					
Donations and legacies	**4**	260,015	304,684	564,699	210,510
Charitable activities	**5**	267,856	–	267,856	201,792
Investment income	**6**	60,130	–	60,130	30,000
Other income	**7**	118	–	118	961
Total income		588,119	304,684	892,803	443,263
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	**8**	13,288	–	13,288	3,197
Expenditure on charitable activities	**9**	293,711	76,846	370,557	299,896
Total expenditure		306,999	76,846	383,845	303,093
Net income		281,120	227,838	508,958	140,170
Transfers between funds		238,089	(238,089)	–	–
Net movement in funds		519,209	(10,251)	508,958	140,170
Reconciliation of funds					
Total funds brought forward		1,582,018	10,251	1,592,269	1,452,099
Total funds carried forward		2,101,227	–	2,101,227	1,592,269

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 13 to 24 form part of these financial statements.

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

ASSOCIATION OF SCOTTISH MUSLIMS

Statement of Financial Position

31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible fixed assets	**16**	1,294,740	724,203
Current assets			
Debtors	**17**	26,739	2,859
Investments	**18**	475,000	300,000
Cash at bank and in hand		316,394	577,929
		818,133	880,788
Creditors: amounts falling due within one year	**19**	11,646	12,722
Net current assets		806,487	868,066
Total assets less current liabilities		2,101,227	1,592,269
Net assets		2,101,227	1,592,269
Funds of the charity			
Restricted funds		–	10,251
Unrestricted funds		2,101,227	1,582,018
Total charity funds	**20**	2,101,227	1,592,269

These financial statements were approved by the board of trustees and authorised for issue on 28 October 2026, and are signed on behalf of the board by:

DocuSigned by:

8B1042725B43423...

Mr Mohammad Azhar Ghafoor (Chair)
Trustee

The notes on pages 13 to 24 form part of these financial statements.

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

ASSOCIATION OF SCOTTISH MUSLIMS

Statement of Cash Flows

Year ended 31 March 2025

	2025	2024
	£	£
Cash flows from operating activities		
Net income	508,958	140,170
Adjustments for:		
Depreciation of tangible fixed assets	13,708	13,708
Other interest receivable and similar income	(60,130)	(30,000)
Gains on disposal of tangible fixed assets	–	(400)
Accrued (income)/expenses	(21,913)	5,093
Changes in:		
Trade and other debtors	(1,380)	(1,042)
Trade and other creditors	(1,663)	(9,638)
Cash generated from operations	437,580	117,891
Interest received	60,130	30,000
Net cash from operating activities	497,710	147,891
Cash flows from investing activities		
Purchase of tangible assets	(609,514)	(11,165)
Proceeds from sale of tangible assets	–	400
Purchases of other investments	(175,000)	–
Proceeds from sale of other investments	–	15,000
Adjustment to cost of tangible assets	25,269	–
Net cash (used in)/from investing activities	(759,245)	4,235
Net (decrease)/increase in cash and cash equivalents	(261,535)	152,126
Cash and cash equivalents at beginning of year	577,929	425,803
Cash and cash equivalents at end of year	316,394	577,929

The notes on pages 13 to 24 form part of these financial statements.

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

1. General information

The charity is registered in Scotland, Charity Registration No SC031858, and is an unincorporated association. The address of the principal office is 80 Main Street, Davidson's Mains, Edinburgh EH4 5AB. See the trustees' annual report for details of the principal activity of the charity.

2. Statement of compliance

The financial statements have been prepared in compliance with, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the 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 issued October 2019, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis and are prepared in sterling, which is the functional currency of the entity, and rounded to the nearest pound. Association of Scottish Muslims meets the definition of a public benefit entity under FRS102. The financial statements solely relate to the individual entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and those that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are the useful economic lives of tangible assets and depreciation charge:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The depreciation charge is also sensitive to estimates made by the Trustees when apportioning the cost of land and buildings acquired together between their respective elements: depreciation is provided in respect of buildings but not land. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates based on technological advancement, future investments, economic utilisation and the physical condition of the asset. See note 17 for carrying amounts of tangible assets.

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

3. Accounting policies *(continued)*

Fund accounting

The charity has 2 major classifications of funds which are separately disclosed in the accounts:-

Unrestricted funds are funds which are available for use at the discretion of the trustees to further any of the charity's purposes. Designated funds are unrestricted funds earmarked by the trustees for a particular future project or commitment.

Restricted funds which the funder has specified are to be solely used for particular areas of the charity's work or for a specific project.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:
- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- income from charitable activities relates to monies received towards classes and to income received from Islamic Relief in relation to various charitable projects. Such income is recognised when receivable.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred and is classified under headings of the statement of financial activities to which it relates: As the charity is not registered for VAT expenditure is stated gross of VAT.
- expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- support costs are those costs incurred to facilitate an activity. Support costs relating to a specific activity are allocated directly to that activity.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	Buildings: 50 years straight line. Land: nil.
Fixtures and fittings	-	4 - 10 years straight line
Motor vehicles	-	25% straight line

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

3. Accounting policies *(continued)*

Depreciation *(continued)*

No depreciation has been provided on the building acquired during the year. Depreciation will be applied from the point the building is fully brought into use.

Financial instruments

The charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debtors:
Debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand:
Cash at bank and in hand consists of short term highly liquid bank deposits none of which have a notice period exceeding 7 days.

Current asset investments:
This consists of monies on loan with anticipated repayment periods of 1-2 years. These are stated in the accounts at the principal amount outstanding.

Creditors and provisions:
Creditors and provisions are recognised where the charity 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.

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2025 £**
Donations			
Donations	260,015	304,684	564,699

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Donations			
Donations	107,484	103,026	210,510

5. Charitable activities

	Unrestricted Funds £	**Total Funds 2025 £**	Unrestricted Funds £	Total Funds 2024 £
Performance-related grants	46,711	46,711	–	–
Donations - classes	221,145	221,145	201,792	201,792
	267,856	267,856	201,792	201,792

6. Investment income

	Unrestricted Funds £	**Total Funds 2025 £**	Unrestricted Funds £	Total Funds 2024 £
Bank interest receivable	630	630	–	–
Other investment income	59,500	59,500	30,000	30,000
	60,130	60,130	30,000	30,000

7. Other income

	Unrestricted Funds £	**Total Funds 2025 £**	Unrestricted Funds £	Total Funds 2024 £
Gain on disposal of fixed assets	–	–	400	400
Other income	118	118	561	561
	118	118	961	961

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

8. Costs of raising donations and legacies

	Unrestricted Funds £	**Total Funds 2025 £**	Unrestricted Funds £	Total Funds 2024 £
Platform charges	4,146	4,146	3,197	3,197
Fundraising events	6,906	6,906	–	–
Fees paid to fundraiser	2,236	2,236	–	–
	13,288	13,288	3,197	3,197

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2025 £**
Direct costs			
Lecturers and staff costs	161,582	–	161,582
Learning materials & stationery	13,836	–	13,836
Classroom hire	889	–	889
Heat & light	26,838	–	26,838
Rates and insurance	2,169	–	2,169
Repairs & maintenance	16,811	–	16,811
Depreciation	13,708	–	13,708
Donations	–	76,846	76,846
Food costs	5,296	–	5,296
Support costs			
Volunteer expenses	–	–	–
Telephone	1,301	–	1,301
Miscellaneous	8,931	–	8,931
Professional fees	30,623	–	30,623
Accountancy/Independent examiners' remuneration	2,520	–	2,520
Events & activities	–	–	–
Motor & travel	3,207	–	3,207
Support costs	6,000	–	6,000
	293,711	76,846	370,557

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Direct costs			
Lecturers and staff costs	141,314	–	141,314
Learning materials & stationery	6,596	–	6,596
Classroom hire	–	–	–
Heat & light	10,991	–	10,991
Rates and insurance	4,106	–	4,106
Repairs & maintenance	15,371	–	15,371
Depreciation	13,708	–	13,708
Donations	–	71,821	71,821
Food costs	–	20,954	20,954
Support costs			
Volunteer expenses	3,075	–	3,075
Telephone	1,039	–	1,039
Miscellaneous	3,297	–	3,297
Professional fees	1,683	–	1,683
Accountancy/Independent examiners' remuneration	2,880	–	2,880
Events & activities	730	–	730
Motor & travel	2,331	–	2,331
Support costs	–	–	–
	207,121	92,775	299,896

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

9. Expenditure on charitable activities by fund type (continued)

The Trustees consider that there is a single charitable activity which is to provide Islamic education to the community.

The Trustees consider: the auditors' remuneration of £6,000 (2024 - £0), the independent examiner's remuneration/accountancy fees of £2,520 (2024 - £2,880) and £885 (2024 - £1,683) of the professional fees to be governance costs.

In the previous year we used our independent examiner to assist with the preparation of the statutory financial statements. Their total remuneration for that year was £2,880 however this has not been split between that which related to the preparation of the accounts and that which related to the independent examination. In the current year the accounts required to be audited rather than independently examined because the income for the year exceeded the threshold for an audit.

Of the donations made by the charity the largest donations were:

£42,051 (2024 - £28,040) to the World Care Foundation
£22,775 (2024 - £14,208) to the Well Foundation
£8,520 (2024 - £22,266) to Islamic Relief
Payments totalling £4,993 (2024 - £19,926) were made to Green Rentail and Bestway Wholesale in connection with donations to a food bank.
£0 (2024 - £4,805) to the Al-Khair Foundation

The donations were entirely funded via restricted donations received following specific appeals. As the encouragement of donating is an important aspect of the teaching of Islamic faith the Trustees consider it appropriate that the donations be treated as charitable expenditure in the accounts.

10. Taxation

Association of Scottish Muslims is a registered charity and as such its activities fall within the exemptions afforded by Section 505 of the Income and Corporation Taxes Act 1988. Accordingly, no provision is considered necessary for taxation.

11. Net income

Net income is stated after charging/(crediting):

	2025	2024
	£	£
Depreciation of tangible fixed assets	13,708	13,708
Gains on disposal of tangible fixed assets	–	(400)

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

12. Auditors remuneration

	2025	2024
	£	£
Fees payable for the audit of the financial statements	6,000	–

In the previous year the accounts were subject to an independent examination. In the current year the charity's income exceeded the audit threshold therefore the accounts were subject to an audit.

13. Independent examination fees

	2025	2024
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	–	2,880

See note 9 for further details regarding the independent examiner's remuneration. In the current year the accounts required to be audited as the charity's income for the year exceeded the audit threshold.

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2025	2024
	£	£
Wages and salaries	144,005	141,314

The average head count of employees during the year was 18 (2024: 19).

No employee received employee benefits of more than £60,000 during the year (2024: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £10,627 (2024:£8,743).

15. Trustee remuneration and expenses

During the year:

- remuneration of £10,627 (2024 - £8,743) was paid to Mr S Ashfaque, trustee, for the provision of teaching services. No other trustees received any remuneration or benefits from the charity or a related entity;
- no expenses (2024 - nil) were reimbursed to the trustees

See separate note regarding other transactions with trustees.

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

16. Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	**Total £**
Cost				
At 1 Apr 2024	804,424	8,585	10,000	823,009
Additions	609,514	–	–	609,514
Adjustments to cost	(25,269)	–	–	(25,269)
At 31 Mar 2025	1,388,669	8,585	10,000	1,407,254
Depreciation				
At 1 Apr 2024	90,522	5,784	2,500	98,806
Charge for the year	10,058	1,150	2,500	13,708
At 31 Mar 2025	100,580	6,934	5,000	112,514
Carrying amount				
At 31 Mar 2025	1,288,089	1,651	5,000	1,294,740
At 31 Mar 2024	713,902	2,801	7,500	724,203

Adjustments to cost relates to professional fees incurred in prior years in relation to building an extension to one of the charity's properties. These costs were treated as capital expenditure however planning application was withdrawn for the proposed extension, and the costs have been transferred to revenue expenditure in the current year.

17. Debtors

	2025 £	2024 £
Prepayments and accrued income	25,323	1,443
Other debtors	1,416	1,416
	26,739	2,859

18. Investments

	2025 £	2024 £
Other investments	475,000	300,000

The investments of £475,000 at 31 March 2025 related to loans to two entities, one of which is another charity. The loans are secured. The loan to the charity (£300,000) is due to be repaid within 1-2 years. The loan to the non-charitable entity (£175,000) was repaid in April 2025. Income of £59,500 (2024 - £30,0000) was receivable in the year in relations to these loans.

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

19. Creditors: amounts falling due within one year

	2025	2024
	£	£
Accruals and deferred income	9,900	9,313
Social security and other taxes	1,746	3,409
	11,646	12,722

20. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2024	Income	Expenditure	Transfers	**At 31 Mar 2025**
	£	£	£	£	£
General funds	1,522,287	588,119	(306,999)	238,089	2,041,496
Designated fund	59,731	–	–	–	59,731
	1,582,018	588,119	(306,999)	238,089	2,101,227

	At 1 Apr 2023	Income	Expenditure	Transfers	At 31 Mar 2024
	£	£	£	£	£
General funds	1,392,368	340,237	(210,318)	–	1,522,287
Designated fund	59,731	–	–	–	59,731
	1,452,099	340,237	(210,318)	–	1,582,018

Nature and Purpose of Designated Funds

In the accounts for the year ended 31 March 2021 the Trustees designated £85,000 to be used to fund the building of an extension to the Mosque. The transfers from this fund to general reserves in the previous year relates to capital expenditure incurred on professional fees regarding the extension.

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

20. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 Apr 2024 £	Income £	Expenditure £	Transfers £	**At 31 Mar 2025 £**
Restricted donations	10,251	66,595	(76,846)	–	–
Broomhouse Mosque	–	238,089	–	(238,089)	–
	10,251	304,684	(76,846)	(238,089)	–

	At 1 Apr 2023 £	Income £	Expenditure £	Transfers £	At 31 Mar 2024 £
Restricted donations	–	103,026	(92,775)	–	10,251
Broomhouse Mosque	–	–	–	–	–
	–	103,026	(92,775)	–	10,251

Nature and Purpose of Restricted Funds

Restricted donations relate to donations received during the year for specific causes. The funds so received were then donated onwards to third party organisations. More details as to the recipients of these donations can be found in note 9 to the accounts.

Broomhouse Mosque fund. This relates to donations received towards the purchase of the former church at Broomhouse. As the property has now been purchased these funds have been transferred to unrestricted reserves, there being no remaining restrictions.

21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2025 £**
Tangible fixed assets	1,294,740	–	1,294,740
Current assets	806,487	–	806,487
Net assets	2,101,227	–	2,101,227

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Tangible fixed assets	724,203	–	724,203
Current assets	857,815	10,251	868,066
Net assets	1,582,018	10,251	1,592,269

Docusign Envelope ID: 304D5199-8940-8A00-826C-AEBCB573FCB5

22. Analysis of changes in net debt

	At 1 Apr 2024	Cash flows	**At 31 Mar 2025**
	£	£	**£**
Cash at bank and in hand	577,929	(261,535)	316,394
Current asset investments	300,000	175,000	475,000
	877,929	(86,535)	791,394

23. Transactions with trustees & other related party transactions

Transactions with Trustees Mr and Mrs Ghafoor:
A salary of £0 (2024 - £769) was paid in the year to their son.

The charity paid £0 (2024 - £1,776) during the year to Dunedin Property Management Ltd (DPM Ltd) regarding repairs & maintenance costs. DPM Ltd is a company controlled by Mr and Mrs Ghafoor.

Included in other debtors is an amount of £1,416 (2024 - £1,416) due from Taskshore Ltd, a company controlled by Mr and Mrs Ghafoor.

The charity received a short term interest free loan of £100,000 from Mr Ghafoor's brother during the year to 31-03-25. The charity had repaid the loan as at 31-03-25.

Transactions with Trustee Mr Ashfaque:
Salaries of £6,405 (2024 - £4,342) and £0 (2024 - £10,526) were paid in the year to the spouse and sons of Mr Ashfaque respectively.

£619 was paid to Mr Ashfaque's sister in relation to the purchase of learning materials and stationery.

See also the separate note on remuneration to Trustees.

There were no other related party transactions in the current or previous year which require disclosure.