

Charity registration number SC039500 (Scotland)

BORDERS ISLAMIC SOCIETY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

BORDERS ISLAMIC SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ahmed Mustafa Shoukat A Aziz Basharat Ahmed
Charity number (Scotland)	SC039500
Registered office	Union Street GALASHIELS Scottish Borders TD1 1PG
Independent examiner	JRW Hogg & Thorburn LLP Riverside House Ladhope Vale Galashiels TD1 1BT

BORDERS ISLAMIC SOCIETY

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BORDERS ISLAMIC SOCIETY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2026

The trustees present their annual report and financial statements for the year ended 31 March 2026.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

Objectives and activities

Borders Islamic Society continues to serve the Muslim community in Galashiels and the Scottish Borders by providing a safe space for worship, community support, and social integration. Over the past year, we have maintained our commitment to supporting our congregation and fostering a welcoming environment for all.

Alongside our religious services, we actively promote engagement with the wider Borders society through community outreach, interfaith dialogue, and cooperation with local organisations.

Our constitution defines the Society's charitable aims as:

- Advancing the religion of Islam by providing prayer facilities and community services.
- Promoting religious harmony by fostering better relations between Muslims and non-Muslims.
- Undertaking other charitable purposes as determined by the Trustees in accordance with Scottish law.

In practice, these objectives are achieved through regular worship, newcomer support, education, interfaith initiatives, and social events that nurture inclusion and understanding.

Public benefit

The trustees have paid due regard to guidance issued by the OSCR in deciding what activities the charity should undertake.

Achievements and performance

Significant activities and achievements against objectives

Religious Services and Key Occasions

The Society successfully hosted its two major annual occasions, the Eid celebrations, which continue to be vital events for community cohesion and spiritual reflection. Furthermore, the holy month of Ramadan saw exceptional activity and engagement. We facilitated Taraweeh prayers throughout the entire month, and these gatherings were met with strong attendance, demonstrating the continued and growing need for our services within the community.

Education and Personal Development

Despite space constraints, we have successfully implemented structured educational initiatives. We established a dedicated ladies' group that includes children, focusing on Qur'an lessons. Additionally, we have initiated Qur'an lessons tailored specifically for adults. These educational offerings represent a significant achievement in our ongoing effort to provide spiritual and religious education to all demographics within our congregation.

Facilities and Infrastructure

The ongoing development of our premises at 6 Union Street remains a central focus. Currently, the upper floor of the building is undergoing completion. The temporary unavailability of this space has naturally held back our ability to host larger meetings, functions, and a broader range of activities. As our congregation grows and our activities during peak times like Ramadan increase, it has become evident that we need to upgrade some of our existing facilities and equipment to better serve the community. The completion of the upstairs area is highly anticipated and will be instrumental in unlocking the Society's full potential.

Community Outreach and Future Plans

The Society remains deeply committed to fostering positive relationships with the wider Borders community. We have been pleased to welcome several individuals from the broader public who have visited the mosque to meet with us and learn more about our faith and our activities. We are eager to continue showing visitors what we do and how we operate.

BORDERS ISLAMIC SOCIETY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

Looking ahead, we have aims to be implemented once our facilities are fully operational. These include:

- Organising community and family health walks and exercise initiatives.
- Expanding our outreach by meeting with different community groups and formally inviting them to the mosque.
- Upgrading existing equipment and facilities to accommodate our growing congregation and enhance the quality of our services.
- Expanding the schedule of meetings, functions, and community activities upon the completion of the upper floor.

Financial review

Financial management is transparent and overseen by the Treasurer and Committee, with funds held in a dedicated charity account.

The surplus for the year amounted to £44,574 (2025 - £110,637) which resulted in a balance of £156,026 (2025 - £111,452) in the unrestricted fund.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Structure, governance and management

The charity is an unincorporated association.

The trustees who served during the year and up to the date of signature of the financial statements were:

Ahmed Mustafa

Shoukat A Aziz

Basharat Ahmed

Recruitment and appointment of trustees

The trustees and Committee identify suitable persons to fulfil a vacancy if a new trustee is required to be appointed by the charity in accordance with the Constitution.

The trustees' report was approved by the Board of Trustees.

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Shoukat A Aziz

Trustee



Date: 1st JUNE 2026

BORDERS ISLAMIC SOCIETY

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF BORDERS ISLAMIC SOCIETY

I report on the financial statements of the charity for the year ended 31 March 2026, which are set out on pages 4 to 10.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1)(a)-(c) of the Charities Accounts (Scotland) Regulations 2006 does not apply.

It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44(1)(a) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 4 of the Charities Accounts (Scotland) Regulations 2006, and
- to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the Charities Accounts (Scotland) Regulations 2006

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Andrew W. Wayless

JRW Hogg & Thorburn LLP

Riverside House

Ladhope Vale

Galashiels

TD1 1BT

Date: 1st June 2026

BORDERS ISLAMIC SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Unrestricted funds 2026 £	Unrestricted funds 2025 £
Income from:			
Donations and legacies	2	49,134	115,313
Total income		49,134	115,313
Expenditure on:			
Charitable activities	3	4,560	4,676
Total expenditure		4,560	4,676
Net income and movement in funds		44,574	110,637
Reconciliation of funds:			
Fund balances at 1 April 2025		111,452	815
Fund balances at 31 March 2026		156,026	111,452

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

BORDERS ISLAMIC SOCIETY

BALANCE SHEET

AS AT 31 MARCH 2026

	Notes	2026 £	£	2025 £	£
Fixed assets					
Tangible assets	9		120,000		120,000
Current assets					
Cash at bank and in hand		36,026		11,452	
Creditors: amounts falling due within one year	11	-		(20,000)	
Net current assets/(liabilities)			36,026		(8,548)
Total assets less current liabilities			156,026		111,452
The funds of the charity					
Unrestricted funds	12		156,026		111,452
			156,026		111,452

The financial statements were approved by the trustees on 1st JUNE 2026

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Shoukat A Aziz
Trustee

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BORDERS ISLAMIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

Charity information

The charity is registered in Scotland and its registered number is SC039500. The charity's registered address is 6 Union Street, Galashiels, TD1 1PG.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a statement of cash flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

BORDERS ISLAMIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	nil
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

BORDERS ISLAMIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

2 Income from donations and legacies

	Unrestricted funds 2026 £	Unrestricted funds 2025 £
Donations and gifts	49,134	115,313

Donated goods and services

There were no donated goods or services during the year, other than volunteer time. The vast majority of the charity's members contribute on an ongoing and informal basis, primarily by assisting with the cleaning of the centre and with the organisation and preparation for congregational prayers.

3 Expenditure on charitable activities

	Unrestricted funds 2026 £	Unrestricted funds 2025 £
Direct costs		
Heat and light	2,581	2,563
Paypal charges	2	856
Rates	344	655
Bank charges	390	101
Advertising	343	201
	3,660	4,376
Share of support and governance costs (see note 4)		
Governance	900	300
	4,560	4,676
Analysis by fund		
Unrestricted funds	4,560	4,676

4 Support costs allocated to activities

	2026 £	2025 £
Governance costs	900	300
Analysed between:		
Unrestricted funds	900	300

BORDERS ISLAMIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

5	Net movement in funds	2026 £	2025 £
	The net movement in funds is stated after charging/(crediting):		
	Fees payable for the independent examination of the charity's financial statements	900	300

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

7 Employees

	2026 Number	2025 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

8 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

9 Tangible fixed assets

	Freehold land and buildings £
Cost	
At 1 April 2025	120,000
At 31 March 2026	120,000
Carrying amount	
At 31 March 2026	120,000
At 31 March 2025	120,000

	2026 £	2025 £
Freehold	120,000	120,000

BORDERS ISLAMIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

10 Loans and overdrafts

	2026 £	2025 £
Other loans	-	20,000
Payable within one year	-	20,000

As part of its fundraising to purchase the building, the charity received an interest free loan totalling £20,000 from one individual. This was repaid in full during the financial year.

11 Creditors: amounts falling due within one year

	2026 £	2025 £
Borrowings	-	20,000

12 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2025 £	Incoming resources £	Resources expended £	At 31 March 2026 £
General funds	111,452	49,134	(4,560)	156,026
Previous year:	At 1 April 2024 £	Incoming resources £	Resources expended £	At 31 March 2025 £
General funds	815	115,313	(4,676)	111,452

13 Related party transactions

There were no disclosable related party transactions during the year (2025 - none).

