

SPIRITUAL FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 20 AUGUST 2023

SPIRITUAL FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Majibur Rahman Ashrafi
Sayyad Mohammad Jilani Ashrafi
Mohamed Husaini Sayyad
Abdoel Rashied
Imtiaz Nourmohammad

Charity number

1077482

Principal address

44 Highfield Street
Leicester
LE2 1AD

Accountants

Figure Fact
1St Floor
182-184 Edgware Road
London
W2 2DS

SPIRITUAL FOUNDATION

CONTENTS

	Page
Trustees report	1 - 2
Accountants' report	3
Statement of financial activities	4
Balance sheet	5
Notes to the financial statements	6 - 10

SPIRITUAL FOUNDATION

TRUSTEES REPORT

FOR THE YEAR ENDED 20 AUGUST 2023

The Trustees present their annual report and financial statements for the year ended 20 August 2023.

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 Act 2011 and "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).

Objectives and activities

The Charity's objects are to engage in advancing the Islamic religion in particular the spiritual and moral values of Sufism based on the strict principles of Sharia and Tariqat. To relieve poverty, to promote human brotherhood, love and national integration.

The policies adopted in furtherance of these objects are through public education, mass communication symposiums, seminars, conference, media publicity and to celebrate national festivals. To advance education for the benefit of public and there has been no change in these during the year.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

Achievements and performance

This year the foundation has benefited with very good income from donations which was mainly used to continue with the renovation of the building. The progress made is substantial and therefore the Trustees are confident that the foundation will be able to start its main activities (Feeding and Educational) very soon.

Financial review

The trustees are confident that the charity will be able to secure sufficient funding in future years to carry out its objectives.

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.

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The Charity was established by a charitable trust deed on 20 September 1999.

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

Majibur Rahman Ashrafi

Sayyad Mohammad Jilani Ashrafi

Mohamed Husaini Sayyad

Abdoel Rashied

Imtiaz Nourmohammad

The power of appointment of new or additional trustees is vested in the trustees. The governing document provides for a minimum of 3 directors, but does not provide for a maximum number. The power to appoint new directors is vested in the board of trustees.

SPIRITUAL FOUNDATION

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 20 AUGUST 2023

The Trustees report was approved by the Board of Trustees.



Abdoel Rashied

Trustee

Date 14/06/2024

SPIRITUAL FOUNDATION

ASSOCIATION OF INTERNATIONAL ACCOUNTANTS. ACCOUNTANTS' REPORT TO THE TRUSTEES ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF SPIRITUAL FOUNDATION FOR THE YEAR ENDED 20 AUGUST 2023

In order to assist you to fulfil your duties under the Charities Act 2011, we have prepared for your approval the accounts of Spiritual Foundation for the year ended 20 August 2023, which comprise and the related notes from the charity's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of International Accountants, we are subject to its ethical and other professional requirements which are detailed at <https://www.aiaworldwide.com>.

This report is made to the charity's Trustees, as a body, in accordance with the terms of our engagement letter dated 15 April 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Spiritual Foundation and state those matters that we have agreed to state to the charity's Trustees, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at https://www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.pdf. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Spiritual Foundation and the charity's Trustees as a body, for our work or for this report.

It is your duty to ensure that Spiritual Foundation has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and surplus of Spiritual Foundation. You consider that Spiritual Foundation is exempt from the statutory audit requirement for the year, and is not required to obtain an independent examiner's report.

We have not been instructed to carry out an audit or a review of the financial statements of Spiritual Foundation. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Figure Fact

14/06/2024

Association Of International Accountants. Accountants

1St Floor
182-184 Edgware Road
London
W2 2DS

SPIRITUAL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 20 AUGUST 2023

		Unrestricted funds 2023 £	Unrestricted funds 2022 £
	Notes		
<u>Income and endowments from:</u>			
Donations and legacies	3	32,363	17,323
<u>Donations and Gifts</u>			
Gift aid	4	11,128	7,749
Total income		43,491	25,072
<u>Expenditure on:</u>			
Centre running costs	5	15,627	6,889
Net income for the year/ Net movement in funds		27,864	18,183
Fund balances at 21 August 2022		481,600	463,417
Fund balances at 20 August 2023		509,464	481,600

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

All income and expenditure derive from continuing activities.

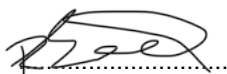
SPIRITUAL FOUNDATION

BALANCE SHEET

AS AT 20 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	9		480,055		438,877
Current assets					
Debtors	10	11,127		-	
Cash at bank and in hand		18,282		42,723	
		<u>29,409</u>		<u>42,723</u>	
Net current assets			29,409		42,723
Total assets less current liabilities			<u>509,464</u>		<u>481,600</u>
Income funds					
Unrestricted funds - general			509,464		481,600
			<u>509,464</u>		<u>481,600</u>

The financial statements were approved by the Trustees on ..14/06/2024.....



Abdoel Rashied
Trustee

SPIRITUAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 20 AUGUST 2023

1 Accounting policies

Charity information

Spiritual Foundation is a unincorporated Registered Charity in England and Wales.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") 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)" (effective 1 January 2019). 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 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. 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.

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

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.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

SPIRITUAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 20 AUGUST 2023

1 Accounting policies

(Continued)

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.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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:

Land and buildings	Not depreciated
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Freehold land and assets in the course of construction are not depreciated.

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.

1.9 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SPIRITUAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 20 AUGUST 2023

1 Accounting policies

(Continued)

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.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Donations and gifts	32,363	17,323

SPIRITUAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 20 AUGUST 2023

4 Gift aid

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Gif aid	11,128	7,749

5 Centre running costs

	2023 £	2022 £
Rates	9,315	203
Light and heat	3,312	1,686
Qurbani costs	3,000	5,000
	15,627	6,889
	15,627	6,889

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year.

7 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	-	-

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

8 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

SPIRITUAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 20 AUGUST 2023

9 Tangible fixed assets

	Land and buildings £
Cost	
At 21 August 2022	438,877
Additions	41,178
	<hr/>
At 20 August 2023	480,055
	<hr/>
Carrying amount	
At 20 August 2023	480,055
	<hr/>
At 20 August 2022	438,877
	<hr/>

10 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	(1)	-
Other debtors	11,128	-
	<hr/>	<hr/>
	11,127	-
	<hr/>	<hr/>

11 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).