

ISLAMIC SHAKHSIYAH FOUNDATION
Financial Statements
31 July 2023

SALEEMI ASSOCIATES

Chartered accountants & statutory auditor
792 Wickham Road
Croydon CR0 8EA

ISLAMIC SHAKHSIYAH FOUNDATION

Financial Statements

Year ended 31 July 2023

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ISLAMIC SHAKHSIYAH FOUNDATION

Trustees' Annual Report

Year ended 31 July 2023

The trustees present their report and the financial statements of the charity for the year ended 31 July 2023.

Reference and administrative details

Registered charity name ISLAMIC SHAKHSIYAH FOUNDATION

Charity registration number 1155314

Principal office 1st Floor
277 St Ann's Road
Lodnon
N15 5RG

The trustees Farah Ahmed
Foziya Reddy
Nadia Ameen
Saima Hussein
Duaa Karim

Accountant Kingston Wells
Chartered Certified Accountants
The Porter Building
2nd Floor Spaces
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Slough
SL1 1FQ

Auditor Saleemi Associates
Chartered accountants & statutory auditor
792 Wickham Road
Croydon CR0 8EA

Solicitors Kuddus Solicitors,
94 Whitechapel Road
London E1 1JQ

ISLAMIC SHAKHSIYAH FOUNDATION

Trustees' Annual Report *(continued)*

Year ended 31 July 2023



Islamic Shakhsiyah Foundation Charitable Incorporated Organisation Registered Number: 1155314

Trustees Annual Report 1st August 2022 – 31st July 2023

Welcome to Islamic Shakhsiyah Foundation's Trustees' Annual Report, which sets out for our supporters and the general public what our charity has achieved in the past twelve months, and our future plans. This report outlines some key achievements and identifies areas for development in the coming year.

Introductory Matters

Aim and purposes

Islamic Shakhsiyah Foundation is an educational charitable trust set up by Muslim mothers to provide an alternative holistic Islamic education for Muslim children. Islamic Shakhsiyah Foundation ('the Charity') was entered on the Commission's Register of Charities on 2 December 2005 and is governed by a trust deed dated 23 November 2005 and amended on 12th May 2011. On 14th January 2014 a new Charitable Incorporated Organisation was registered. The two charities ran in parallel until 29th May 2015 when the charitable trust was dissolved. However, due to an administrative error the charitable trust remained on the Charity Commission's register until 4th December 2015.

Islamic Shakhsiyah Foundation is now a charitable incorporated organization, incorporated on 14th January 2014 with the registered charity number of 1155314.

Islamic Shakhsiyah Foundation is a grassroots education initiative based in and around London. The foundation is the product of the dedicated efforts and sincere niyah (intention) of Muslim mothers. At the core of our work is a synthesis of Classical Islamic education and carefully selected modern educational strategies that are in line with Islamic principles of holism and character development embodied in the terms, Tarbiyah, T'alim and T'adib.

Islamic Shakhsiyah Foundation runs two faith-based independent schools in Slough (Primary) and Haringey (through school from Nursery to Secondary KS3. This foundation also runs Tifly Daycare in Haringey. The Foundation is involved in the propagation of Islam in accordance with the four Sunni schools of thought; this includes research in philosophy and pedagogy of holistic Islamic education, dissemination of research and the production of curricula, within the theological framework of the four Sunni schools of thought. The Foundation also runs a programme of Islamic teacher education courses both online and in person. The Foundation provides other services to the community including various classes and community even

ISLAMIC SHAKHSIYAH FOUNDATION

Trustees' Annual Report^(continued)

Year ended 31 July 2023

Charity objects:

The trustees must apply the income of the charity in furthering the following objects:

1) For the public benefit to advance education in accordance with the principles and practices of Holistic Islamic Education in general and the Shakhsiyah Education Framework in particular, through:

- a. the provision, support and maintenance of schools ("ISF Schools"); and
- b. the provision of bursaries, grants or other forms of assistance to enable individuals to attend or study at ISF Schools who would not otherwise be able to afford to do so.

2) For the public benefit to advance the Islamic religion in accordance with the four Sunni schools of thought.

3) For the public benefit to advance the education of the public in the principles and practices of Holistic Islamic Education in general and the Shakhsiyah Education Framework in particular."

Structure and Governance:

Trustees

The charity's trustees for the period were:

Mrs. Farah Ahmed - BA hons, PGCE, MEd, PhD, FCCT (Chair of Trustees)
Mrs. Foziya Reddy - BA hons, PGCE
Mrs. Nadia Ameen - BA Linguistics
Ms Duaa Karim - BA hons, Msc, and ACCA
Ms Saima Hussain - BSc hons

Recruitment of Trustees

Trustees are recruited in accordance with the governing document, and all necessary safeguarding checks are carried out. Trustees are issued with the charity commission's guidance document for new trustees, and annually complete essential safeguarding and other relevant training.

Trustees Remuneration

The trustee roles are volunteer roles. However, as the charity grew out of a number of homeschooling initiatives, two of the founding trustees listed below also hold additional roles in the organization for which they are remunerated. The Charity Commission has approved this arrangement. Trustees, in an annual trustee meeting, decide remuneration in accordance with Charity Commission guidelines.

Farah Ahmed: Director of Education and Research –Paid on an hourly consultancy basis.

Nadia Ameen: Deputy Head teacher and Head of Arabic, Shakhsiyah School, London and Slough – Full-time.

ISLAMIC SHAKHSIYAH FOUNDATION

Trustees' Annual Report *(continued)*

Year ended 31 July 2023

Public Benefit

Shakhsiyah Schools charge fees well below the market rate in order to provide parents from deprived communities the choice of an alternative holistic Islamic education for their children. The foundation also subsidises its teacher education courses to provide affordable continuous professional development to teachers.

Vision and Mission Statement

Our children are the future of our Deen and our community.

Our community will need leaders with a clear understanding of Islamic principles and doctrines; as we strive to maintain our Islam in the midst of confusion. Therefore, they will need the tarbiyah (Character education) that will enable them to become committed Muslims and committed citizens:

- Committed to Allah
- Committed to their Family
- Committed to their local Community
- Committed to Community Cohesion
- Committed to the Ummah (Global Muslim Community)
- Committed to Humanity

The role of Islamic Shakhsiyah Foundation is to develop Shakhsiyah Islamiyah (personal Islamic character) in every child and adult we engage with.

History

In 1998 five Muslim mothers in West London and Slough organised a home-schooling group for their young children aged between 3-5 years old. The following year mothers from North and East London joined in. This was the starting point of Islamic Shakhsiyah Foundation. As women from a huge variety of backgrounds, housewives, teachers and other professionals we engaged in a prolonged and thorough discussion of what we wanted to achieve. This discussion centred on the fundamental question which continues to guide our work: 'What is Islamic education?' We came to realise that the most valuable Islamic Education Model will not be a remedial solution to the problems faced by 'minority' communities. It will not add Islamic values and thought into existing contemporary models of education. This may be the easiest and most obvious way of proceeding, but it certainly will not lead to the desired outcomes we had set ourselves. The Islamic belief of the purpose of life is fundamentally in opposition to the secular belief. The secular education system therefore has fundamentally different goals to the Islamic education system. It is not sufficient to insert some Islamic aspects into secular systems. What is clear is that everything must be questioned, from the concept of school to the concept of the teacher and the curriculum and examined in light of Islamic educational principles of holism and character development.

We began to explore modern concepts and approaches to education along with the established Islamic principles. This has led to a synthesis of classical Islamic education with the modern approaches that reflect Islamic principles, resulting in a new and unique approach to primary education for Muslim children called 'Shakhsiyah Education'.

ISLAMIC SHAKHSIYAH FOUNDATION

Trustees' Annual Report *(continued)*

Year ended 31 July 2023

As an organisation led by Muslim women we have a nurturing organic ethos rooted in the needs of the local community. Our efforts are led by a sincere niyah and internal motivation as opposed to the dominant target driven 'business' culture. We believe strongly that this is a reflection of Islamic principles and seek to uphold this in our future development inshaAllah. Islamic Shakhsiyah Foundation continues to engage in research and development by funding research into Halaqah as an Islamic pedagogy through a PhD in 'Educational Research' at the University of Cambridge. The findings of this PhD are being widely disseminated and influencing schools across the world.

Charity Activities and Achievements 2022-23

Principles of Shakhsiyah Education

Our ethos as an organisation is set out in a booklet that explains the principles of Shakhsiyah Education. This is an important resource for all staff and members of the public who wish to understand our educational theory. These principles guide the work of the schools and all other activities of the foundation.

Shakhsiyah Schools and Tifly Day Care

Shakhsiyah schools and Tifly Day Care continued their important work in educating young Muslim children with the educational philosophy of the principles of Shakhsiyah Education. The senior leadership team continues to lead the schools and work with staff and parents to provide education in line with the Shakhsiyah Principles. The following achievements have been recorded for this year:

- Shakhsiyah School London and Shakhsiyah School, Slough have met all the regulatory standards of the Independent school Inspectorate after joining Independent Schools Association.
- Shakhsiyah School, London is now offering education for 3-14 year olds with classes from Early Years to Year 9.
- A long-term lease (20 years) of Cippenham Lodge and The Coach House has been secured providing long-term stability for Shakhsiyah School, Slough.
- New branding was introduced as part of the 20 year celebration of Shakhsiyah Schools

In order to make space for introducing GCSE classes in Shakhsiyah School, London, the decision was made to close Tifly Day Care in London and the facility closed on 31st July 2023. This will allow the development of an all through school.

Shakhsiyah Teacher Education

Islamic Shakhsiyah Foundation has taken ownership of the Islamic Educator Learning Community Platform (<https://ielc.camtree.org/>), which is a domain of the Cambridge Teacher Research Exchange (<https://camtree.org/>). This online platform will support the foundation's work in relation to Object 3: "For the public benefit to advance the education of the public in the principles and practices of Holistic Islamic Education in general and the Shakhsiyah Education Framework in particular." ISF has also licensed two online courses on using dialogic halaqah to develop shakhsiyah on the IELC platform from Cambridge Enterprise. Shakhsiyah Teacher Education will now operate through the IELC platform and new Shakhsiyah Education Consultancy Services. (See below)

ISLAMIC SHAKHSIYAH FOUNDATION

Trustees' Annual Report *(continued)*

Year ended 31 July 2023

Shakhsiyah Research and Resources

Shakhsiyah Research and Resources will be rebranded into Shakhsiyah Education Consultancy and Shakhsiyah Publications over the next year. New staff will be employed to develop this area.

Shakhsiyah Community and Shakhsiyah Youth

The foundation continues to work within the local community in order to meet our objectives. However, community and youth events are being tied in with the work of the schools going forward.

Future Plans for 2023-24

The foundation is seeking to do the following over the coming year:

Shakhsiyah Schools

1. Reorganise space to offer stringer and perhaps expanded provision in Shakhsiyah School, Slough
2. Continue to establish a strong secondary provision in Shakhsiyah School, London through applying to expand to Years 10-11 i.e. GCSE classes.

Shakhsiyah Research and Resources and Shakhsiyah Teacher Education

1. Rebrand and build Shakhsiyah Education Consultancy through curricula publications and the IELC platform.

Shakhsiyah Community, Shakhsiyah Youth and Fundraising

1. It has been decided to merge this with school activities to allow greater focus on other projects.

Concerns and Risks in the Present & Coming Year

1. As the Cippenham Lodge fundraising campaign was not able to achieve its goal, the charity has to go through relevant processes in managing next steps.
2. Building works are ongoing for Shakhsiyah School, Slough. There is a substantial cost which requires fundraising.
3. Building Works for Shakhsiyah School, London are needed to meet the requirements for GCSE classes.

The charity has unrestricted reserves of £ 686,288 which trustees believe is sufficient to support the charity operations in near future.

ISLAMIC SHAKHSIYAH FOUNDATION

Trustees' Annual Report *(continued)*

Year ended 31 July 2023

Mustafa Ali Sadiq Scholarship Fund

In July 2014, the foundation's trustees agreed to the launch of the Mustafa Ali Sadiq Scholarship fund in by the family of Mustafa Ali Sadiq. Mustafa was a student at Shakhsiyah schools who sadly died in June 2014 at the tender age of ten. His family is very grateful to the foundation for the support provided to them during this difficult year and to Shakhsiyah Schools in helping to develop a beautiful character in Mustafa, which enabled him to endure a terrible illness with patience and dignity. Thus, a pledge was made by the family to fund the education of another child in Mustafa's memory as a sadaqah jaariyah for Mustafa, and a fund was created for anyone to donate to this cause. A scholarship was awarded to one child for the academic years 2014-15.

The scholarship fund is reported separately in the trial balance.

Scholarship Income:

July 2014: £5,331.53

Aug 2014 – July 2015: £3,525.25

Aug 2015 – July 2016: £7,441.53

Aug 2016 – July 2017: £3,880

Aug 2017 – July 2018: £3,660

Aug 2018 – July 2019: £1,405

Aug 2019 – July 2020: £860

Aug 2020- July 2021: £740

Aug 2021 – July 2022 £680

Aug 2022- July 2023 £440

The total raised to date is **£25,243.31**

ISLAMIC SHAKHSIYAH FOUNDATION

Trustees' Annual Report *(continued)*

Year ended 31 July 2023

Scholarship Expenditure:

£6,240 was spent on fees for 2014-15 and 2015-16 during the 2015-16 accounting Period.

£3,360 has been spent on fees for 2016-17 during the 2016-17 accounting period.

£3,480 has been spent on fees for 2017-18 during the 2017-18 accounting period.

£0 has been spent on fees during the 2018-19 accounting period.

£0 has been spent on fees during the 2019-20 accounting period.

£0 has been spent on fees during the 2020-21 accounting period.

£0 has been spent on fees during the 2021-22 accounting period.

£0 has been spent on fees during the 2022-23 accounting period.

The total expenditure to date is: **£13,080**

Over **£13,023.31** is held in reserve.

Financial Review:

The charity's accounts for the 12 months period ending 31 July 2023 show an income of £1,322,352 and expenditure of £1,244,501. There was a significant decrease in donations to the charity as charity was focusing on the establishment of the new premises.

The major part of expenditure is spent on staff salaries. An amount of £671,928 was paid out as salaries for the school staff and training cost was £1,455. As the current buildings are rented rent, rates and service charges were £234,654 and the insurance and building maintenance amounted to £8,027.

A detailed break up of all the expenses is given under notes to the financial statements.

Principle Funding Sources

The charity is mainly funded through school fees. These are well below the market rate in order to maintain public benefit. A secondary income is through donations and funding from Local authorities.

Banking and Legal Details

The charity has a main income and expenditure bank account held at Barclays Bank, Wood Green Branch. The charity also has three further savings accounts, maintained to deposit donations (including scholarship donations), and held at Al Rayan Bank, Whitechapel branch.

The Saleemi Associates (Chartered Accountants & Statutory Auditor) of 792 Wickham Road, Croydon, CR0 8EA were appointed as auditors to carry out the audit of the financial statements.

Furthermore, the charity takes legal advice from Ahmad Thomson of Wynne Chambers, 5 Kimberley Road, London NW6 7SG and Kuddus Solicitors, 94 Whitechapel Road, London E1 1JQ

ISLAMIC SHAKHSIYAH FOUNDATION

Trustees' Annual Report *(continued)*

Year ended 31 July 2023

Reserves Policy

It is the charity's policy to maintain a balance on unrestricted funds (if possible), which equates to at least one month's unrestricted payments, equivalent to £80,000, to cover emergency situations that may arise from time to time. The balance of £686,288 held on unrestricted funds, at the yearend has met this requirement.

It is our policy to invest our funds balances on property or any low to moderate-risk investments. All the investment decisions have to be authorised by all the trustees.

Investments

The charity had no investments during the accounting period. Donations are kept in a savings account with Al Rayan bank.

Financial Challenges

The charity does not currently have the full funds necessary to purchase a school building outright, which means that substantial amounts are paid out in rent. Due to the organic growth of the schools, the rental and other Building costs continue to increase. Purchasing Cippenham Lodge or signing a new long-term lease continues to be the charity's priority. The London School's' premises lease is expiring and needs to be renegotiated.

Future Plans

The charity needs to put together a long-term strategy to increase income and generate regular amounts through planned fundraising. The charity should consider investing any surplus funds to generate a profit. The charity will therefore need to develop an investment policy. The new EHT will be working with the Operations Team on diversifying income in the coming year.

Grants

The Charity does not issue grants but does assist parents by reducing fees in hardship cases. This is determined through assessing parents' income and need. A scholarship linked to the charity has been set up in the name of Mustafa Ali Sadiq, to fund a small number of children to attend the school.

Trustees' responsibilities statement

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 and Wales 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;
- state whether applicable UK Accounting Standards 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 charity will continue in business.

ISLAMIC SHAKHSIYAH FOUNDATION

Trustees' Annual Report *(continued)*

Year ended 31 July 2023

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 Act 2011, the applicable Charities (Accounts and Reports) Regulations, 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.

The trustees' annual report was approved on 21 March 2024 and signed on behalf of the board of trustees by:

Foziya Reddy
Trustee

Saima Hussain
Trustee

ISLAMIC SHAKHSIYAH FOUNDATION

Independent Auditor's Report to the Members of ISLAMIC SHAKHSIYAH FOUNDATION *(continued)*

Year ended 31 July 2023

Opinion

We have audited the financial statements of Islamic Shakhshiyah Foundation (the 'charity') for the year ended 31 July 2023 which comprise Statement of Financial Activities and Statement of Financial Position and notes to the financial statements, 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 Financial Reporting Standard 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 July 2023 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 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

ISLAMIC SHAKHSIYAH FOUNDATION

Independent Auditor's Report to the Members of ISLAMIC SHAKHSIYAH FOUNDATION *(continued)*

Year ended 31 July 2023

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 Act 2011 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.

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. Based on our understanding of the Charity and its activities, we identified that the principle risk of non-compliance with law and regulations related to the Charities Act 2011, the Charities Statements of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, GDPR, corruption and fraud, money laundering and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the trustees' and managements' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principle risk were related to manual journal entries to manipulate financial performance, management bias through judgements and assumptions is significant accounting estimates, in particular in relation to use of restricted funds, and significant one off or unusual transactions.

ISLAMIC SHAKHSIYAH FOUNDATION

Independent Auditor's Report to the Members of ISLAMIC SHAKHSIYAH FOUNDATION *(continued)*

Year ended 31 July 2023

Our audit procedures were designed to respond to those identified risks, including non-compliance with law and regulations (irregularities) and fraud that re material to the financial statements. Our audit procedure included but was not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with law and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Saleemi Associates
Chartered accountants & statutory auditor
792 Wickham Road
Croydon, CR0 8EA

Date :

Saleemi Associates is eligible for appointment as auditors of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ISLAMIC SHAKHSIYAH FOUNDATION

Statement of Financial Activities

Year ended 31 July 2023

			2023		2022
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	4	367,346	—	367,346	441,399
Charitable activities	5	942,670	—	942,670	716,778
Investment income	6	12,336	—	12,336	36
Total income		<u>1,322,352</u>	<u>—</u>	<u>1,322,352</u>	<u>1,158,213</u>
Expenditure					
Expenditure on charitable activities	7,8	(1,244,501)	—	(1,244,501)	(1,183,003)
Total expenditure		<u>1,244,501</u>	<u>—</u>	<u>1,244,501</u>	<u>1,183,003</u>
Net income/(expenditure) and net movement in funds		<u>77,851</u>	<u>—</u>	<u>77,851</u>	<u>(24,790)</u>
Reconciliation of funds					
Total funds brought forward		608,437	725,024	1,333,461	1,358,251
Total funds carried forward		<u>686,288</u>	<u>725,024</u>	<u>1,411,312</u>	<u>1,333,461</u>

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 15 to 22 form part of these financial statements.

ISLAMIC SHAKHSIYAH FOUNDATION

Statement of Financial Position

31 July 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	12	75,493	77,316
Current assets			
Debtors	13	344,331	194,121
Cash at bank and in hand		1,155,422	1,415,250
		<u>1,499,753</u>	<u>1,609,371</u>
Creditors: amounts falling due within one year	14	<u>163,934</u>	<u>353,226</u>
Net current assets		1,335,819	1,256,145
Total assets less current liabilities		1,411,312	1,333,461
Net assets		<u>1,411,312</u>	<u>1,333,461</u>
Funds of the charity			
Restricted funds		725,024	725,024
Unrestricted funds		686,288	608,437
Total charity funds	16	<u>1,411,312</u>	<u>1,333,461</u>

These financial statements were approved by the board of trustees and authorised for issue on 21 March 2024, and are signed on behalf of the board by:

Foziya Reddy
Trustee

Saima Hussain
Trustee

The notes on pages 15 to 22 form part of these financial statements.

ISLAMIC SHAKHSIYAH FOUNDATION

Statement of Cash Flows

Year ended 31 July 2023

	2023 £	2022 £
Cash flows from operating activities		
Net income/(expenditure)	77,851	(24,790)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	17,374	14,315
Profit on investment	(12,336)	(36)
Bank charges	102	—
Accrued (income)/expenses	(112,258)	116,053
<i>Changes in:</i>		
Trade and other debtors	(150,210)	(71,641)
Trade and other creditors	(77,034)	(43,866)
Cash generated from operations	(256,511)	(9,965)
Bank charges	(102)	—
Profit on investment	12,336	36
Net cash used in operating activities	<u>(244,277)</u>	<u>(9,929)</u>
Cash flows from investing activities		
Purchase of tangible assets	(15,551)	(1,786)
Net cash used in investing activities	<u>(15,551)</u>	<u>(1,786)</u>
Net decrease in cash and cash equivalents	(259,828)	(11,715)
Cash and cash equivalents at beginning of year	1,415,250	1,426,965
Cash and cash equivalents at end of year	<u>1,155,422</u>	<u>1,415,250</u>

The notes on pages 15 to 22 form part of these financial statements.

ISLAMIC SHAKHSIYAH FOUNDATION

Notes to the Financial Statements

Year ended 31 July 2023

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 1st Floor 277 St Ann's Road, London, N15 5RG.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

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

Fund accounting

Unrestricted funds 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 particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

ISLAMIC SHAKHSIYAH FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are 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.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a 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.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

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

All fixed assets are initially recorded at cost.

ISLAMIC SHAKHSIYAH FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

3. Accounting policies *(continued)*

Depreciation

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

Land and buildings	- 10% straight line
Fixture and fittings	- 25% reducing balance
Equipment	- 25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

ISLAMIC SHAKHSIYAH FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Donations				
Donations	16,253	16,253	28,719	28,719
Just Giving Appeal	8,028	8,028	25,313	25,313
Grants				
Early years grant	343,065	343,065	384,905	384,905
Job retention grant	—	—	2,462	2,462
	<u>367,346</u>	<u>367,346</u>	<u>441,399</u>	<u>441,399</u>

5. Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Tuition fees and school activities	933,138	933,138	707,081	707,081
Uniform and book sale	1,766	1,766	3,445	3,445
Other income from other charitable activities	7,766	7,766	6,252	6,252
	<u>942,670</u>	<u>942,670</u>	<u>716,778</u>	<u>716,778</u>

ISLAMIC SHAKHSIYAH FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

6. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Profit on investments	12,336	12,336	36	36

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Charitable activity	1,216,531	–	1,216,531
Support costs	27,970	–	27,970
	<u>1,244,501</u>	<u>–</u>	<u>1,244,501</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Charitable activity	1,172,008	10,995	1,183,003
Support costs	–	–	–
	<u>1,172,008</u>	<u>10,995</u>	<u>1,183,003</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Charitable activity	1,216,531	–	1,216,531	1,183,003
Governance costs	–	27,970	27,970	–
	<u>1,216,531</u>	<u>27,970</u>	<u>1,244,501</u>	<u>1,183,003</u>

9. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	17,374	14,315
Operating lease rentals	766	2,604

10. Staff costs

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

	2023 £	2022 £
Wages and salaries	671,928	685,397
Social security costs	23,624	41,922
Employer contributions to pension plans	10,688	13,163
	<u>706,240</u>	<u>740,482</u>

ISLAMIC SHAKHSIYAH FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

10. Staff costs *(continued)*

The average head count of employees during the year was 46 (2022: 45).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

11. Trustee remuneration and expenses

Three of the founding trustees hold additional roles in the organisation for which they are remunerated. The charity commission has approved this arrangement. Trustees, in the annual trustee meeting, decide remuneration in accordance with Charity Commission guideline.

12. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 August 2022	109,948	73,895	30,077	213,920
Additions	–	145	15,406	15,551
At 31 July 2023	109,948	74,040	45,483	229,471
Depreciation				
At 1 August 2022	42,595	65,804	28,205	136,604
Charge for the year	10,995	2,059	4,320	17,374
At 31 July 2023	53,590	67,863	32,525	153,978
Carrying amount				
At 31 July 2023	56,358	6,177	12,958	75,493
At 31 July 2022	67,353	8,091	1,872	77,316

13. Debtors

	2023 £	2022 £
Trade debtors	342,080	191,870
Prepayments and accrued income	2,251	2,251
	344,331	194,121

14. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	54,804	26,512
Accruals and deferred income	3,795	116,053
Social security and other taxes	21,151	15,421
Qard-e-Hasana	68,000	126,500
Other creditors	16,184	68,740
	163,934	353,226

ISLAMIC SHAKHSIYAH FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

15. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £10,688 (2022: £13,163).

16. Analysis of charitable funds

Unrestricted funds

	At 1 August 2022	Income	Expenditure	At 31 July 2023
	£	£	£	£
General funds	608,437	1,322,352	(1,244,501)	686,288

	At 1 August 2022	Income	Expenditure	At 31 July 2022
	£	£	£	£
General funds	622,232	1,158,213	(1,172,008)	608,437

Restricted funds

	At 1 August 2022	Income	Expenditure	At 31 July 2023
	£	£	£	£
Restricted Fund	725,024	—	—	725,024

	At 1 August 2022	Income	Expenditure	At 31 July 2022
	£	£	£	£
Restricted Fund	736,019	—	(10,995)	725,024

ISLAMIC SHAKHSIYAH FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

17. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	75,493	–	75,493
Current assets	1,499,753	–	1,499,753
Creditors less than 1 year	(163,934)	–	(163,934)
Net assets	1,411,312	–	1,411,312

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	9,963	67,353	77,316
Current assets	951,700	657,671	1,609,371
Creditors less than 1 year	(353,226)	–	(353,226)
Net assets	608,437	725,024	1,333,461

18. Analysis of changes in net debt

	At 1 Aug 2022 £	Cash flows £	At 31 Jul 2023 £
Cash at bank and in hand	1,415,250	(259,828)	1,155,422

ISLAMIC SHAKHSIYAH FOUNDATION

Management Information

Year ended 31 July 2023

The following pages do not form part of the financial statements.

ISLAMIC SHAKHSIYAH FOUNDATION

Detailed Statement of Financial Activities

Year ended 31 July 2023

	2023 £	2022 £
Income and endowments		
Donations and legacies		
Donations	16,253	28,719
Just Giving Appeal	8,028	25,313
Early years grant	343,065	384,905
Job retention grant	—	2,462
	<u>367,346</u>	<u>441,399</u>
Charitable activities		
Tuition fees and school activities	933,138	707,081
Uniform and book sale	1,766	3,445
Other income from other charitable activities	7,766	6,252
	<u>942,670</u>	<u>716,778</u>
Investment income		
Profit on investment	12,336	36
	<u>12,336</u>	<u>36</u>
Total income	<u><u>1,322,352</u></u>	<u><u>1,158,213</u></u>

ISLAMIC SHAKHSIYAH FOUNDATION

Detailed Statement of Financial Activities *(continued)*

Year ended 31 July 2023

	2023 £	2022 £
Expenditure		
Expenditure on charitable activities		
Wages and salaries	671,928	685,397
Employer's NIC	23,624	41,922
Pension costs	10,688	13,163
Operating leases	766	2,604
Rates and water	234,654	177,414
Light and heat	14,569	7,267
Repairs and maintenance	8,027	18,159
Insurance	8,850	9,804
Other establishment	42,368	39,016
Legal and professional fees	78,970	31,914
Telephone	3,140	4,511
Depreciation	17,374	14,315
Bank charges	102	—
Resources purchase	18,110	32,967
Uniform costs	1,553	3,521
Milk expenses	4,593	2,089
Printing, postage and stationery	14,760	6,347
School event charges	8,726	33,218
Ofsted charges and subscriptions	12,183	12,644
General expenses	39,107	10,050
Cost of PE Lessons	1,677	16,958
Bad Debts	26,706	16,412
Staff training	1,455	2,251
Website and advertising	571	1,060
	<u>(1,244,501)</u>	<u>(1,183,003)</u>
 Total expenditure	 <u>1,244,501</u>	 <u>1,183,003</u>
 Net income/(expenditure)	 <u>77,851</u>	 <u>(24,790)</u>

ISLAMIC SHAKHSIYAH FOUNDATION

Notes to the Detailed Statement of Financial Activities

Year ended 31 July 2023

	2023 £	2022 £
Expenditure on charitable activities		
<i>Activities undertaken directly</i>		
Wages/salaries	671,928	685,397
Employer's NIC	23,624	41,922
Pension costs	10,688	13,163
Operating leases	766	2,604
Rent, rates and service charges	234,654	177,414
Light & heat	14,569	7,267
Repairs & maintenance	8,027	18,159
Insurance	8,850	9,804
Cleaning	42,368	39,016
Legal and professional fees	51,000	31,914
Telephone	3,140	4,511
Depreciation	17,374	14,315
Bank charges	102	—
Resources purchases	18,110	32,967
Uniform costs	1,553	3,521
Milk expenses	4,593	2,089
Printing, postage and stationery	14,760	6,347
School event charges	8,726	33,218
Ofsted charges and subscriptions	12,183	12,644
General expenses	39,107	10,050
Cost of PE Lessons	1,677	16,958
Bad Debts	26,706	16,412
Staff training	1,455	2,251
Website and advertising	571	1,060
	<u>1,216,531</u>	<u>1,183,003</u>
Governance costs		
Accountancy fees	10,371	—
Legal and other professional fees	16,954	—
Financial advice	645	—
	<u>27,970</u>	<u>—</u>
Expenditure on charitable activities	<u><u>(1,244,501)</u></u>	<u><u>(1,183,003)</u></u>