

SHIFFA
(A CHARITABLE INCORPORATED ORGANISATION)
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2023

CONTENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

	Pages
Legal and Administrative Information	2
Trustees' Report	3 - 6
Independent Examiner's Report	7 - 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Financial Statements	12 - 18

SHIFFA (A CHARITABLE INCORPORATED ORGANISATION)

**LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2023**

Trustees	Aisha Musarrat Ahmed Tahmanna Khanam Choudhury Razwana Akhtar Ismaeel Mohammad Khalid Yaqub	Chair
-----------------	---	-------

Principal Address	576 Coventry Road Small Heath Birmingham B10 0UN
--------------------------	---

Charity Number	1191983
-----------------------	---------

Independent Examiner	Mohammad Ansari ASJ Financial Accounting Services 320a Stratford Road Solihull B90 3DN
-----------------------------	--

Bankers	Barclays Bank Plc Leicester LE87 2BB
----------------	--

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2023

The Trustees present their report and financial statements for the period ended 31 October 2023. The Trustees confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 01 January 2019).

Structure, governance and management

Governing document/Constitution

The organisation is a Charitable Incorporated Organisation (CIO). The charity was established by Constitution signed on 20 September 2020 and registered with the Charity Commission on 26 October 2020, under number 1191983.

Tax status

The charity is registered as a CIO and is therefore exempt from corporation tax and income tax.

Recruitment and training of trustees

The Board of Trustees currently consists of five members who were recruited due to their commitment and expertise. Role descriptions, where applicable, are issued to each Trustee and a full induction is given setting out the obligations of a Trustee. The list of current Trustees can be found on page 2 of this document.

Organisational structure

The Charity is principally based in Birmingham but works primarily in Pakistan to deliver its projects. The Trustees are responsible for the governance of the Charity, and the day-to-day management is performed by the Trustees and volunteers.

Key risks and uncertainties

The Trustees actively review the major risks which the Charity faces on a regular basis, in particular those relating to its operations and finances. They are satisfied that systems are in place to mitigate the charity's exposure to the major risks. The risk management strategy comprises:

- A regular review of the risks which the Charity may face;
- The adequacy of current systems and procedures to mitigate those risks identified in the strategy; and
- The implementation of procedures designed to minimise any potential risk on the Charity should any of those risks materialise.

The strategy is reviewed regularly by the Trustees.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2023

Aims, objectives and activities

Aims, objectives and intended impacts

Objects:

"The prevention or relief of poverty, sickness or financial hardship, anywhere in the world, as an expression of our Islamic faith, by providing or assisting all, irrespective of faith, in the provision of food aid, education, training, healthcare projects, disaster and the effects of war relief, all the necessary support designed to enable individuals to generate a sustainable income and be self-sufficient, and any other avenue deemed suitable through: grants, items and services to individuals in need and/or charities or other organisations working to meet these aims."

Public benefit statement

The section of this report above entitled 'Aims, objectives and activities' sets out the aims and priorities of the Charity. The Trustees have considered this matter, in conjunction with the guidance contained in the Charity Commission's general guidance on public benefit, and have concluded:

- That the aims of the Charity continue to be charitable;
- That the aims and work done give identifiable benefits to the charitable sector and both indirectly and directly to individuals in need;
- That the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay
- That there is no detriment or harm arising from the aims or activities.

Review of achievements and performance for the period

In the year 2022-23, the charity continued to fundraise for and support the Nur ul Ain Orphanage and the newly completed Jamiyah Anayah University Academy, including apartments for orphans who would be boarding at the school. The all-girls school has begun running on the Cambridge GCSE Curriculum and the Orphanage has taken on six more orphans, as the older girls graduated onto the Academy. The boys graduating from Nur ul Ain, have been enrolled into local Army Cadet schools, as the provision for them is already good in these schools.

We have also continued the work to build the new Women's Refuge Shelter, Dar ul Sakinah, and taken control of the donated land and started foundational work on the new Nur ul Ain Medical Centre to be built in Kotla.

Furthermore, in other projects, the charity built two water wells and spent £2,755 on disaster relief work, mainly in Pakistan post-floods and Turkey post-Earthquake through partners working there.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2023

Aims, objectives and intended impacts (cont.)

Keys risks and uncertainties

The Trustees actively review the major risks which the Charity faces on a regular basis, in particular those relating to its operations and finances. They are satisfied that systems are in place to mitigate the charity's exposure to the major risks. The risk management strategy comprises:

- A regular review of the risks which the Charity may face;
- The adequacy of current systems and procedures to mitigate those risks identified in the strategy;
- The implementation of procedures designed to minimise any potential risk on the Charity should any of those risks materialise.

The strategy will be reviewed regularly by the Trustees.

Financial review

Principal sources of funding

The principal source of funding for the Charity is from individual donors. Voluntary donations received in the period amounted to £88,624 (2022-23: £145,616). Costs were kept under rigid control during the period and monitored regularly.

Reserves Policy

The Charity holds unrestricted funds which have been provided to the charity via donations and charitable activities. Under the terms of the donations, the charity must retain the assets in perpetuity and can only use the income to support its charitable activities.

The unrestricted funds represent income earned but not yet utilised in supporting charitable activities. At 31 October 2023, the charity held reserves of £6,081 (2022: £135) as unrestricted and undesignated free reserves. Restricted reserves at the end of the year amount to £2,428 (2022: £Nil).

Going Concern

The Charity reported a cash inflow for the year of £9,528 (2022: outflow of £14,645) and expects to make an inflow in 2023-24 also. Despite the low funds total, due to having no legal commitments to fund any projects, having no employees nor other admin costs commitments, and after making further appropriate enquiries and gaining assurances over income levels, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and at least the next 12 months from the date of signing these accounts, as required. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Future plans

The Charity intends to continue fundraising for the completion of the Dar ul Sakinah Women's shelter as well as starting the building of the new Nur ul Ain Medical Centre whilst continuing its support of the Orphanage. New capital commitments to enhance classrooms, the staff room, IT equipment and CCTV at the Jamiah Anayah Academy are also planned for 2024 and 2025.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2023

Statement of Trustees' responsibilities

The Trustees are required to prepare financial statements for each financial year in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which give a true and fair view of the state of affairs of the Charity and the incoming resources and application of resources, including the net income and expenditure for the year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and all other applicable law. 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.

Accounts preparation

The Trustees confirm that the accounts comply with current statutory requirements, and with those of the governing instrument.

This report was approved by the Trustees on 02 June 2024 and signed on their behalf, by:



Aisha Musarrat Ahmed

Trustee

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 OCTOBER 2023**

Independent examiner's report to the Trustees of SHIFFA

I report on the financial statements of the charity for the period ended 31 October 2023 which are set out on pages 9 to 18.

This report is made solely to the charity's Trustees, as a body, in accordance with section 145 and the regulations made under section 154 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of Trustees and Examiner

The Trustees are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this period under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed.

Having satisfied myself that the company is not subject to audit under charity or company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commission. 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 seeks 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 REPORT
FOR THE YEAR ENDED 31 OCTOBER 2023**

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 130 of the Act; and
 - to prepare financial statements which accord with the accounting records and comply with accounting requirements of the Act and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
- 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.



Mohammad Ansari

ASJ Financial Accounting Services
320a Stratford Road
Solihull
B90 3DN

Dated: 02 June 2024

SHIFFA (A CHARITABLE INCORPORATED ORGANISATION)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 OCTOBER 2023**

		Unrestricted Funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
	<i>Note</i>						
Income from:							
Donations and legacies	2	16,894	71,730	88,624	66,547	79,069	145,616
Total income		16,894	71,730	88,624	66,547	79,069	145,616
Expenditure on:							
Raising funds	3	1,282	-	1,282	-	-	-
Charitable activities	4	2,462	76,506	78,968	798	159,463	160,261
Total expenditure		3,744	76,506	80,250	798	159,463	160,261
Net income/(expenditure) before transfer		13,150	(4,776)	8,374	65,749	(80,394)	(14,645)
Transfers between funds		(7,204)	7,204	-	(80,394)	80,394	
Net movement in funds		5,946	2,428	8,374	(14,645)	-	(14,645)
Reconciliation of funds							
Total funds brought forward		135	-	135	14,780	-	14,780
Total funds carried forward	7	6,081	2,428	8,509	135	-	135

The notes on pages 12 to 18 form part of these financial statements.

SHIFFA (A CHARITABLE INCORPORATED ORGANISATION)

BALANCE SHEET

AS AT 31 OCTOBER 2023

		2023		2022	
	<i>Note</i>	£	£	£	£
Current assets					
Cash at bank and in-hand	10	9,659		135	
Liabilities					
Creditors: Amounts falling due within one year	6	1,150		-	
Net current assets			8,509		135
Net assets			8,509		135
Funds					
Unrestricted funds: General reserve	7		6,081		135
Restricted funds	7		2,428		-
	8		8,509		135

The notes on pages 12 to 18 form part of these financial statements.

The financial statements were approved by the Trustees on 02 June 2024 & signed on their behalf, by:



Aisha Musarrat Ahmed
Trustee

SHIFFA (A CHARITABLE INCORPORATED ORGANISATION)**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 OCTOBER 2023**

	<i>Note</i>	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by operating activities	11	9,524	(14,645)
Increase / (decrease) in cash & cash equivalents in the reporting period		9,524	(14,645)
Cash & cash equivalents at the beginning of the reporting period		135	14,780
Cash & cash equivalents at the end of the reporting period	12	9,659	135

The notes on pages 12 to 18 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023**

1. Accounting policies

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The following principal accounting policies have been applied:

a) Incoming resources

Income includes the total funds received during the period and comprises donations collected directly or by volunteers and income from fundraising events. Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty.

Income tax reclaimable under the Gift Aid Scheme is recognised on an accruals basis once income is considered probable.

Donors are given the option to restrict their donation when it is made. Any Gift Aid claimed on restricted donations is classed as unrestricted income.

b) Resources expended and basis of allocation

Expenditure is included when incurred and has been shown in the Statement of Financial Activities inclusive of non-recoverable Value Added Tax.

Expenditure on operational programmes is recognised in the period in which it is incurred.

Currently all costs are directly attributable to specific activities, but where required, certain shared costs will be apportioned to general funds and activities in furtherance of the objects of the Charity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023**

1. Accounting policies (cont.)

c) Funds accounting

Funds held by the charity are:

Unrestricted funds - These are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds – These are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds – These are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

d) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

e) Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the Financial Statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Trustees consider that there are no significant areas of key judgement or estimation uncertainty other than those identified in the accounting policies above.

2. Donations and legacies

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Voluntary donations (see note 5)	16,894	71,730	88,624	145,616
	16,894	71,730	88,624	145,616

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023

3. Raising funds

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Fundraising events	772	-	772	-
Marketing	510	-	510	-
	<u>1,282</u>	<u>-</u>	<u>1,282</u>	<u>-</u>

4. Charitable activities - costs

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Projects costs and grants (see note 7)	195	76,506	76,506	159,463
IT and website costs	1,096	-	1,096	286
Bank charges	21	-	21	512
Legal & professional	1,150	-	1,150	-
	<u>2,462</u>	<u>76,506</u>	<u>78,968</u>	<u>160,261</u>

5. Staff & Trustees costs

There were no employees in the period. During the period £Nil of expenses were incurred for the reimbursement of Trustees' expenses, and £Nil in the prior year also. The Trustees received no other remuneration in the period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023

6. Creditors**Amounts owing within one year**

	2023	2022
	£	£
Accruals	1,150	-
	<u>1,150</u>	<u>-</u>

7. Statement of funds

	Brought forward	Incoming resources	Resources expended	Fund transfers	Carried forward
	£	£	£	£	£
Restricted funds					
Nur ul Ain Orphanage	-	23,883	(22,930)	-	953
Jamiyah Anaya Academy	-	9,423	(21,965)	12,542	-
Dar ul Sakinah	-	9,769	(10,386)	617	-
Nur ul Ain Medical Centre	-	14,000	(14,000)	-	-
Emergency & Disaster Relief	-	4,230	(2,755)	-	1,475
Water projects	-	1,500	(1,500)	-	-
Zakat funds	-	8,850	(2,870)	(5,980)	-
Other	-	75	(100)	25	-
	<u>-</u>	<u>71,730</u>	<u>(76,506)</u>	<u>7,204</u>	<u>2,428</u>
Total restricted funds	-	71,730	(76,506)	7,204	2,428
Unrestricted funds					
General reserve	135	16,894	(3,744)	(7,204)	6,081
	<u>135</u>	<u>16,894</u>	<u>(3,744)</u>	<u>(7,204)</u>	<u>6,081</u>
Total funds	135	16,894	(3,744)	(7,204)	6,081

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023**

Restricted Project Descriptions

Nur ul Ain Orphanage

Nur ul Ain Sharif Trust (in partnership with SHIFFA) built an Orphanage in Kotla, rural North Punjab, Pakistan. It is a small institution with a great vision. We provide a caring and safe environment for the children to develop their confidence and self-esteem to become good citizens. Every penny you donate will go directly towards your child's provision, education, nurture and care at Nur ul Ain Sharif Trust. Zakat funds donated to the charity are also spent on this project.

Jamiyah Anayah Academy

The Jamiyah Anayah Academy now completed is used as an institution for underprivileged young ladies and orphans. It provides them with high level contemporary college education they need along with knowledge of the world in a true Islamic ethos. The building is a multi-functional space that serves as an educational and residential facility for the young orphan and needy ladies. There is a wide range of spaces from lecture theatres through to private study areas. We intend to equip the Jamia with modern technology which will enhance the learning experience. Zakat funds donated to the charity are also spent on this project.

Dar ul Sakinah Refuge Shelter

This is a new Women's Refuge House being built to help women who have nowhere else to go or need a safe place to stay during difficult times. The land for this has been donated by a donor in Pakistan and the building work has begun.

Nur ul Ain Medical Centre

Land has been acquired to build a healthcare facility in Kotla, rural North Punjab, Pakistan, as a sister project to Nur ul Ain Orphanage and is intended to include: pharmacy, clinics and gynaecology facilities for local women who are currently forced to travel to neighbouring cities for healthcare, putting their lives at risk. The healthcare facility is to provide quality medical care at affordable costs and users will be means tested and where applicable will be provided with free medical care.

Emergency Disaster Relief

The charity sometimes collects funds to help in times of disasters, for instance, it has collected to aid relief efforts after the Pakistan Floods and in Turkey after the Earthquake in 2023. The current remaining funds are to further work on Pakistan Floods relief work and are expected to be utilised in the end of the 2024 financial year.

Water projects

The charity works to build water wells in areas and home where water supply is not available or insufficient and has built a number of wells already.

Zakat funds

The charity collects Zakat funds, which it then utilizes to cover the costs of Zakat-able projects like the Nur ul Ain Orphanage and Jamiyah Anayah Academy.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023**

8. Analysis of net assets between funds

(a)	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 October 2023 are represented by:			
Net current assets	6,081	2,428	8,509
Total funds	<u>6,081</u>	<u>2,428</u>	<u>8,509</u>

(b)	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 October 2022 are represented by:			
Net current assets	135	-	135
Total funds	<u>135</u>	<u>-</u>	<u>135</u>

9. Related parties

There were no related party transactions in the period.

10. Volunteers

The charity is entirely administered by volunteers in the UK and Pakistan. The Charity trustees recognise the vital work of its volunteers in helping to fulfil its mission and would like to thank everyone who helps make the projects of our charity possible through their donated time and resources.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023

11. Reconciliation of cash flows from operating activities

	2023	2022
Net income / (expenditure) for the reporting period	8,374	(14,645)
Increase / (decrease) in creditors	1,150	-
Net cash provided by operating activities	9,524	(14,645)

12. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	9,659	135
Total of cash and cash equivalents	9,659	135

12A. Analysis of changes in net debt

	At start of year £	Cashflows in year £	At end of year £
Cash	135	9,524	9,659
	135	9,524	9,659