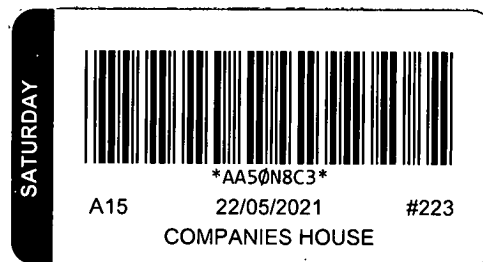


THE IDRIES SHAH FOUNDATION
ANNUAL REPORT OF TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020



THE IDRIES SHAH FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees:	Richard Mohun	
	Thomas Merchant	(Resigned 9 December 2020)
	Dr Barbara Xella	(Resigned 9 December 2020)
	Asya Verzhbinsky	(Appointed 20 January 2021)
	Clare Maxwell-Hudson	(Appointed 21 January 2021)

Charity Number: 1150876

Company Number: 08193475

Registered Office: 8 Belmont
Lansdown Road
Bath
BA1 5DZ

Independent Examiner: Alexandra Shore FCA CTA DChA
A C Mole & Sons Chartered Accountants
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

THE IDRIES SHAH FOUNDATION

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THE IDRIES SHAH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

The Trustees are pleased to present their Annual Report together with the Financial Statements of the Charity for the year ended 31 March 2020, which are also prepared to meet the requirements for a Directors' Report and Accounts for Companies Act purposes.

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 Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

The Idries Shah Foundation is a registered Charity (No. 1150876) and a Company Limited by Guarantee (No. 08193475), and was incorporated on 29th August 2012.

OBJECTIVES AND ACTIVITIES

The objects of the charitable company, as set out in the Articles of Association are:-

- The advancement of education for the public benefit and in particular (but not limited to) the study of and dissemination of knowledge about Sufi culture, Sufi heritage and Sufi literature; and
- The promotion of the arts, culture and heritage for the public benefit with particular (but not limited to) reference to classical and contemporary Sufi arts, literature and culture.

The aim of the Charity is to promote tolerance and cultural understanding by dissemination of Sufi ideas as widely as possible. Sufi culture and heritage stresses values of respect and tolerance towards all human beings.

These ideas, which constitute a philosophical system originating from within the Islamic world stress values such as a balanced mental outlook, the ability to think for oneself, a non-literalist approach to religion, tolerance towards other people and ideas, women's rights, humour and common sense.

The Trustees are aiming to achieve the charitable objectives by the distribution of the works of Idries Shah. Idries Shah left a large body of literary work in the areas of Sufi thought and Eastern philosophy, and has been regarded as a cultural bridge between East and West.

In pursuance of the charitable aims the Trustees' approach is threefold: -

- To develop The Idries Shah Foundation website through which these works will be available to the general public who have access to the internet; to develop a presence and make available information about ISF on established and emerging online social media platforms; and to sell books in the various editions through leading online bookshops.
- To pursue a translation programme with an emphasis placed on producing editions of Sufi works aimed at the Islamic world.
- To develop a publishing programme to re-introduce the works of Idries Shah and other contemporary Sufi authors in hard copy, electronic and audio editions

The Trustees recognise that the aims of the Charity are such that their approach must be developed over a medium to long-term timescale.

THE IDRIES SHAH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

In terms of monitoring the development and impact of the activities in the short term the Board receives regular reports expressing the progress made in the publishing and translation programmes measured against time scale and budget. It is augmented by reports from the various media platforms of the book sales achieved and (wherever possible) the location of the customer. Furthermore the research and impact of the website is monitored through the use of social media statistics, the number of people signing up to the various platforms and the increasing number of contributions received from the ever increasing body of friends and supporters.

PUBLIC BENEFIT

The Trustees are aware of the Charity Commission guidance on Charity and Public Benefit and confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to it. The Trustees consider that the information contained within the Trustees' Report about the Charity's aims, activities and achievements demonstrates the benefit to the public.

ACHIEVEMENT AND PERFORMANCE

Middle East and Asian Translation Publishing Programme

The purpose of this programme, one of the cornerstones of the Foundation's work, is to 'give' back liberal ideas which came originally out of an Islamic tradition by translating a selection of Idries Shah's books into the major languages of the Middle East and Asia. Stressing universal values such as common sense, moderation, gender equality, clear-thinking and a sense of humour, it is believed that the nature of Sufi thought presented by Idries Shah can be a positive influence on all those it touches.

The work has proven to be an immense task. It has involved the sourcing of much of Idries Shah's material in the original Classical Persian literature from which he drew. However, the Foundation is pleased to report that the translation programme for two languages is now close to completion.

- **Persian language programme:**
10 titles have been translated and edited into Farsi. As with all works published under the auspices of this programme, they are available for purchase via Lulu print-on-demand. They are also available to read free of charge on the Foundation's website.
- **Dari language programme:**
9 titles have been translated into Dari, which is mostly spoken in Afghanistan. The translation of a 10th title is in progress.
- **Turkish language programme:**
The Foundation is pleased to announce that, after an exhaustive selection process, two translators have been commissioned in Turkey to undertake the translation of 11 of Idries Shah's titles into Turkish. The first in this series, *The Exploits of the Incomparable Nasrudin*, has been completed; and work has begun on a second title, *Tales of the Dervishes*.
- **Mandarin Chinese Pilot Study Project:**
In the first half of 2019, ISF undertook a feasibility study for translating the Idries Shah corpus into Mandarin Chinese, with the aim of publishing it over a period of several years. ISF completed an analysis of the proposed project with a restricted donation made available by NFF. The study was presented to the Nightingale Foundation in October 2019. There are currently approximately 950 million native Mandarin speakers worldwide (compared to 400 million native Spanish speakers, and 350 million native English speakers). Of the 950 million native Mandarin speakers, more than 50 million are part of a diaspora living outside China.

THE IDRIES SHAH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Children's Books

The Foundation has published three more illustrated children's books, *The Tales of the Sands*, *After a Swim*, and *The Horrible Dib Dib*.

These stories have been sourced from the extensive canon of Teaching Stories collected and written by Idries Shah during his lifetime.

These titles, along with three titles previously published by the Foundation, can be purchased in high-quality, hardback editions through the website. They can also be read for free online.

In December 2019, the Trustees voted to finance the editing, illustration and design of nine new children's books:

- 1) The Man the Tree and the Wolf
- 2) The Rich Man and the Monkey
- 3) The Boy with No Voice and the Men Who Couldn't Hear
- 4) The Tale of Melon City
- 5) Mushkil Gusha
- 6) The Fisherman's Neighbour
- 7) The Magic Potion of Oinkink
- 8) The Palace of the Man in Blue
- 9) The Shepherd Who Was a King

The Foundation expects to stagger the publication of these nine titles during 2021-2022.

Children's Books for Afghanistan Project

The Foundation has continued to raise funds through the sales of high-end, special editions to make Idries Shah's children's books available to children in Afghanistan.

Developing an effective means of distribution to receptive schools and libraries has proven challenging given the prevailing conditions of the country. However, the Foundation has now sought help from US-based charity Hoopoe Books, which has extensive experience working in Afghanistan, and they have kindly offered their assistance with printing and distribution. Subsequently, the Foundation has agreed to fund a pilot project during 2020 with Hoopoe to print 3,000 copies of *Speak First and Lose* by Idries Shah in the Dari and Pushto languages, and to distribute the books to schools and libraries across the country. The Foundation will conduct its own, independent oversight of this pilot project and hopes that it will lead to further cooperation with Hoopoe.

English Language Publishing Programme

One of the main objectives of the Foundation has been to publish new editions of all of Idries Shah's major works in English. This has involved a rigorous editorial and design process – and the Foundation is pleased to report that the work has been done to a high standard. The Trustees are grateful to all those who have worked so hard to achieve this landmark achievement.

34 titles of Idries Shah's books have been re-issued utilising the latest publishing technology to create hardback, paperback, and ebook editions, all of which are available to purchase on multiple online platforms worldwide. In addition the titles are being made available as audio editions, and they remain available on the website to read for free.

THE IDRIES SHAH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Spanish Language Publishing Programme

Work on Spanish translations of Idries Shah's work has continued apace, with 12 titles now in print in paperback and hardback editions. Ten of these books are now available as ebooks and two as audio books.

UNESCO Collaboration

The Foundation has partnered with the United Nations Educational and Scientific and Cultural Organization (UNESCO) to hold an international World Tales Short Story Competition.

12 to 18 year-olds in some 182 countries are being invited to write, in either English or French, up to 500 words on the theme 'Once Upon a Time in My Future...'. UNESCO's International Coalition of Inclusive and Sustainable Cities (ICCAR) who work with thousands of schools worldwide are promoting the competition. The collaboration with UNESCO is viewed as a means by which the Foundation can both further and increase the profile of its charitable objectives. The deadline for entries is July 2020 with a winners' ceremony planned in Paris by the end of the year.

2019 Idries Shah Foundation Awards for Human Achievement

The Foundation has announced 10 awards for Human Achievement to celebrate the contributions of certain individuals to the humanities and natural sciences. The awards draw on Idries Shah's life-long interest in human achievement and development, and being the very best form of oneself that was possible. Taking the form of gilded ormolu medallions, each honour is accompanied by a hand-drawn calligraphic certificate.

The winners are:

- Lisa Alther
- Sir David Attenborough
- Robyn Davidson
- Dame Jane Goodall
- Commander Chris Hadfield
- Dr. James Lovelock
- Dr. Desmond Morris
- Herta Müller
- Posthumous: Jorge Luis Borges
- NGO: The International Crisis Group

Website and Social Media Programme

The Foundation launched a new website in November. In keeping with the desire to develop and expand the site as a key tool in the delivery of the Foundation's charitable objectives, the site features content designed to promote the works and ideas of Idries Shah, and to encourage the exchange of cultural ideas. Content includes a blog, interviews with leading writers, thinkers and achievers, and videos and photographs promoting the Foundation's activities and achievements.

The launch of the site was timed to coincide with the 2019 awards. Exclusive video interviews with those laureates so far available to accept their medals and certificates have featured on the website – namely Sir David Attenborough, Lisa Alther, Herta Müller and Dr. James Lovelock. These interviews along with news about the awards have been promoted on the Foundation's social media platforms.

Subscriptions from around the world to these platforms have continued to grow steadily, and the podcast attracts new listeners week on week.

THE IDRIES SHAH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

FINANCIAL REVIEW

Investments

The board monitors the income being generated and the capital value of its investments on a regular basis.

Property Investments:

- As reported on in the last annual review, one of the Foundation's two properties was on the market to be sold and it remained so for many months. We are pleased to report a sale was completed on 10 January 2020.
- The last property investment that the Foundation has remains under review.

Fixed asset investments:

- The Foundation's stock market portfolio remains, as outlined in the last annual report, diversified across three kinds of listed investments. Overall the portfolio has performed relatively well in a turbulent investment environment.
- The value of the investment portfolio as at 31 March 2020 = £372,167 (2019: £365,945)
And as at 31 Dec 2020 = £431,916
 - Capital account balance: £359,726
 - Income account balance: £ 72,190

The Foundation's policy regarding property and fixed asset investments remains under review and will form part of ISF's next five-year strategic plan that is to be drafted next year.

Total Income

Income from all sources (donations & legacies, book sales, property income, and investment funds' income) totalled £231,523 (2019: £ 255,981). The board continues to focus on ways to increase the total income of the Foundation in the coming years to provide more resources to fulfil the charity's objectives.

Resource Utilisation

In progressing the charitable objectives and in fundraising, the Foundation has utilised resources of £683,578 (2019: £455,427).

A major new commitment of resources this year was establishing and grant funding the UNESCO story competition referred to above.

After adjustment for the movement in the value of the investments, net outgoing resources totalled £599,506 (2018: £269,390).

RESERVES

The board recognises the need to maintain a reserve sufficient to ensure that the Foundation is able to meet all on-going commitments. By the end of the next year the Foundation will have completed a large proportion of the publishing programme of its first five-year strategic plan. The balance sheet, although much depleted through funding a large proportion of the publication programme and other charitable activities, is still strong with net assets at 31 March 2020 of £1.77 million (2019: £2.37 million).

THE IDRIES SHAH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

RISK POLICY

The Trustees have assessed the major financial and operational risks to which the charity is exposed. In doing so the Board have adopted the following policies for key areas: -

- Budgets are set in respect of each charitable activity allowing the Board to monitor the actual results in comparison with expectations.
- The stock market portfolio, which is designed to both generate income and capital growth whilst spreading risk with regard to the capital value, is monitored regularly.
- In respect of the property investment programme a regular review is maintained to monitor relevant legislation (both national and local) and the property market generally to ensure that the impact of any potential adverse changes is minimised.
- The Board obtains appropriate professional advice prior to any transactions concerning acquisition or disposal of investment property.
- A maintenance programme is established to ensure that the properties and contents are kept in good order.

Appropriate insurance cover is obtained for the Foundation's activities inclusive of cover for the investment properties and contents.

The Board recognise that, in working to publish and distribute books as widely as possible, the Foundation must seek the provision of services from sub-contractors who may be outside of the UK and other industrialised nations.

By necessity, some of the providers of services may be in areas that are not readily accessible by the Foundation.

To ensure that charitable funds are only used in support of the charitable objects the Board would:

- Appoint to the management committee those who are known to have experience and knowledge of the publishing, distribution and print (both in hard and electronic copy) and of the geographical areas / societies that the charity is looking to reach out to.
- Where the use of suppliers of goods and services local to the geographical area of interest is necessary for the delivery of the charitable objectives, the management committee will seek (wherever possible) those with a proven track record in their field and will: -
 1. Agree objectives and costs beforehand.
 2. Establish a method whereby the local agent regularly reports on activity and achievements.

THE IDRIES SHAH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

POST BALANCE SHEET EVENTS

Background

At the beginning of September 2019 the board comprised three trustees – the then Chair, Bijan Omrani, Tarquin Hall (who had expressed his wish at a board meeting on 15 March 2019 to resign in the near future on completing three years as a trustee and when new trustees had been found to replace Clare Maxwell-Hudson and Gill Whitworth) and Richard Mohun.

Bijan Omrani resigned on 8 Sept 2019 due to pressure of work commitments. A new trustee Thomas Merchant was appointed on 13 Sept 2019. On 1 Oct 2019 Richard Mohun was appointed Chair. Another trustee for the board, Barbara Xella, was appointed on 20 Oct 2019. Tarquin Hall resigned from the board on 14 Nov 2019. The board now comprised Richard Mohun, Thomas Merchant and Barbara Xella.

At a board meeting held on 16 October 2019, Richard Mohun as the new Chair raised a number of governance concerns relating to policies and procedures, conflicts of interest management, improvement of accounting procedures and approvals of expenditure; and the urgent need for a licence agreement between the Charity and the Estate of Idries Shah to be signed, but one that had to be revised with regard to duration and other aspects.

Stone King LLP - one of the leading UK law firms specialising in advising charities – were appointed as the Foundation's new legal advisers following a meeting held on 7 November 2019. They were then engaged on the 8 November 2019 to advise the Foundation on the appointment of its first employee, the current CEO, and subsequently the associated formal legal requirements and contractual documents when employing staff.

In addition, at the same meeting, the Chair asked Stone King LLP to take a look at the licence agreement with the Estate that the Foundation had been operating under. The Chair had expressed for some time concern that the licence agreement could not continue as a rolling short-term annual licence but had to be long term in order for the trustees to meet their fiduciary duty to donors and the requirements of good governance. This required a licence agreement of a duration such that ISF could ensure that it was able to fulfil its obligations to donors and the stewardship of all the Foundation funds to realise the long-term public benefit of the funding of its charitable work. Subsequently on 25 November 2019 Stone King LLP were engaged formally to assist in negotiating new terms for a licence agreement.

The CEO appointment, on a two-year contract, was made in consultation with the Management Committee, consisting of Safia, Saira and Tahir Shah, and it was agreed that former trustee, Tarquin Hall, was an ideal candidate. Hall, a journalist and author who has worked extensively in Afghanistan and South Asia and managed a news bureau, brought to the position more than three years of experience with the charity, a familiarity with the works of Idries Shah and a keen interest in supporting the Foundation's objectives. The CEO took up his post on 1 Jan 2020.

With regard to operating procedures for the approval and monitoring of expenditure, the Foundation has had in place a system for many years that was followed by the Estate, and other third parties commissioned to carry out work for the Charity. However, towards the end of 2019 and beginning of 2020 some activities and actions were identified as taking place ahead of/without Board approval or the agreed expenditure procedure. The Chair and CEO who identified these issues brought them to the attention of the board.

The Chair and the new CEO continuously sought to resolve matters for the remainder of the financial year to 31 March 2020, but with increasing difficulty.

THE IDRIES SHAH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Post balance sheet events

Following a short list produced by the new CEO and final Zoom interviews with the Chair and CEO, AC Mole were formally appointed by the board on 2 April 2020 to be ISF's new accountants.

Problems continued to arise for the CEO and board in trying to ensure adherence to the established processes, responsibilities and accountability with regard to project approval and expenditure.

Subsequently on 9 July 2020 the Chair proposed to the board that ISF should commission Stone King to review the Foundation's governance requirements and advise on the substance of a long-term license between ISF and the Estate; this was agreed to by the full board on 15 July 2020.

The review was carried out during August 2020 in consultation with the Trustees, CEO and the Estate.

Stone King's report was presented in September 2020 and welcomed by all parties. It highlighted shared objectives and a willingness to form a common vision and strategy for the future. It also underscored the urgency for the Foundation to secure a new license agreement that would cover the Shah family's requirements in terms of ensuring the protection of Idries Shah's legacy and reputation, while emphasising the necessity for governing protocols to ensure that the Foundation would be able to exercise due diligence in matters of transparency and public benefit.

Stone King further recommended that a Memorandum of Understanding (MOU) be signed by the board and the Estate, agreeing in principle the broad terms of a new licensing agreement, the expansion of the board, and the adoption of new governing documents to be drawn up with guidance from Stone King.

Additional matters regarding trustee communications to third parties and in relation to the CEO arose in Sept/Oct, and in November with regard to what was acceptable to ISF with regard to a new licence agreement with the Estate.

On 12 December 2020 two trustees Thomas Merchant and Barbara Xella resigned; and on 20 January 2021 two new members joined the board: former trustee Clare Maxwell-Hudson and Asya Verzhbinsky. The new trustees enabled the Foundation to continue with the negotiations with the Estate over the terms of the MOU and ensured that the requisite governance for the Foundation could be secured.

The Foundation is pleased to report that on 27 March 2021, the MOU was signed with the Estate and it has been agreed between the two parties to sign a 20 year-license agreement that covers a large publishing list of titles: those books that to date have been, or are in the process of being, published from funds provided by the Foundation.

In accordance with the terms and schedule identified in the MOU, the board will, after the signing of the licensing agreement, work to expand the board to a total of five trustees. The Board and the CEO also look forward with enthusiasm to working in close concert with the Estate whose continued involvement and specialised expertise is considered vital for the Foundation's continued development and its ability to fulfil its objects.

THE IDRIES SHAH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

COMMENTS BY THE CHAIR IN RELATION TO THE INDEPENDENT EXAMINER'S REPORT

The issues raised in the Independent Examiner's report relate to matters which the Chair, before 1 Jan 2020, and thereafter with the new CEO, had been trying to resolve, including by seeking the professional assistance of Stone King LLP.

The context in which these issues and matters were trying to be resolved was that ISF were in the position that no agreed licence agreement was in place which secured the legal requirement that ISF was under to be able to realise the public benefit of the monies ISF had spent on its publishing programme including substantial sums ISF had received from donors, in particular from the Nightingale Family Foundation, for that purpose.

The financial discrepancies to which the Independent Examiner refers are also part of those matters regarding which the CEO and Chair were trying to get resolved to prevent future occurrences.

The board have acted and sought professional assistance from Stone King LLP and AC Mole in their effort to remedy governance and operational concerns and to limit any impact on the Charity's work; and intend to take the necessary steps in accordance with the legal and established protocols of the professional and regulatory bodies involved.

With regard to the Visibility project (to fund a series of mini-projects to raise the profile of ISF), this was initiated by a member of the project management team with only partial initial approval from the board as the project snowballed; the monies raised from a single donor for this project on 30 Aug 2019 was £59,899 (\$72,825) and was raised by a member of the project management team on that basis; and the funds were accordingly designated by the trustees to that project.

PLANS FOR THE FUTURE

The Foundation's recently appointed CEO has been directed by the Board to consider plans for increasing distribution of Idries Shah's books. This will form a key part of a new five-year strategic plan produced by the CEO in conjunction with the Board of Trustees and members of the Management Committee. The plan will be in place on completion of the Foundation's commitment to re-issuing Idries Shah's works in English.

The Board has agreed to complete the following publishing work:

- English Language Publishing – a final six more titles, bringing the total to 40.
- Spanish Language Publishing – work will continue on translations and publishing of Idries Shah's core works with at least four more titles planned, bringing the total to 16.
- Middle East Languages – work will continue to publish 10 more titles in Turkish, bringing the total to 11.
- Children's Books – as noted above, the Foundation aims to publish nine more titles by the end of 2022.

THE IDRIES SHAH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

- Children's Books for Afghanistan – as noted above, the Foundation has initiated a pilot project with Hoopoe Books. The Board is keen to collaborate further with Hoopoe to distribute books to Afghan children across the country. The project aims to inspire Afghan children with Idries Shah Teaching Stories designed to help develop thought processes. At a time when few Afghan children own illustrated books, the Foundation believes that providing stories of this kind will inspire future generations.
- Hand-Printed Special Editions – Inspired by a special edition of *The Tale of the Sands*, produced in 1980, the Foundation has commissioned a print-making collective in Bristol to produce 100 hand-printed copies of six of Idries Shah's best known tales. Most of these will be made available for sale with the proceeds supporting the books for children in Afghanistan project.

Cultural activities approved by the Board:

The World Tales StoryBank

This project aims to make stories from around the world available online to a global audience, and to promote the core philosophy inherent in Idries Shah's *World Tales: The Extraordinary Coincidence of Stories Told in All Times, in All Places* – that stories represent humanity's oldest, shared heritage. In doing so, the Foundation hopes to promote shared empathy, tolerance, and commonality – using storytelling as a tool for intercultural cooperation and dialogue.

The Trustees have commissioned the creation of a new, interactive website that will allow visitors to read and listen for free different versions of the same tales from around the world, and to gain an appreciation for how they have been shared and adapted across time and cultures. It is also envisaged that by entering into partnerships with academic institutions and research bodies, the World Tales StoryBank can become the world's first global repository for stories and folklore.

UNESCO Partnership

It is envisaged that the Foundation's partnership with UNESCO for the short story competition will lead to further collaboration between the two organisations, which share many common goals. We are pleased to report that a first step was taken along these lines in January 2020 when Saira Shah was invited to present Idries Shah's children's stories at a UNESCO cultural event in Paris. Discussions are now on going for the free distribution of the Foundation's children's books to schools and libraries falling under the auspices of UNESCO's International Coalition of Inclusive and Sustainable Cities (ICCAR). This opportunity holds the potential to bring Idries Shah's teaching stories to children worldwide.

Online Presence

The Foundation will continue to improve upon the design and capabilities of its website and the appeal and reach of its social media platforms.

THE IDRIES SHAH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a Charitable Company Limited by Guarantee, incorporated on 29th August 2012 and registered as a charity on 18th February 2013.

The charitable company is governed under its Articles of Association that sets out the objects and powers of the company.

Board of trustees

The Trustees, who are also the Directors for the purpose of company law, and who have served during the accounting period are:

Clare Maxwell-Hudson:	Appointed 29 Aug 2012	Resigned 18 July 2019
Gillian Whitworth:	Appointed 29 Aug 2012	Resigned 18 July 2019
Tarquin Hall:	Appointed 22 Mar 2016	Resigned 14 Nov 2019
Richard Mohun:	Appointed 01 Dec 2016	
Bijan Omrani:	Appointed 20 Oct 2018	Resigned 8 Sept 2019
Thomas Merchant:	Appointed 13 Sep 2019	<i>[Resigned 9 Dec 2020]</i>
Dr Barbara Xella:	Appointed 20 Oct 2019	<i>[Resigned 9 Dec 2020]</i>

No Trustees have any beneficial interest in the company. All of the Trustees are members of the Company and guarantee to contribute £1 in the event of winding up. The number of Trustees shall not be less than three.

The Trustees may appoint a person who is willing to act as a Trustee either to fill a casual vacancy or as an additional member of the board.

New Trustees are selected with regard to the knowledge, skill and expertise appropriate for the effective administration of the Charity and the delivery of the charitable objectives.

New Trustees are briefed on their legal obligations under charity and company law, on their role and responsibilities as Trustees, the charity commission on public benefit, the contents of the governing document, the decision making process, the business plans and the recent financial performance of the Charity.

Changes to the board – for the year ending 31 March 2020

The retirement of Clare Maxwell-Hudson (who has since re-joined the board on a temporary basis) and Gill Whitworth was referred to in last year's annual report where the work that they have done for the Foundation since its inception was gratefully acknowledged. The board would also like to thank Mr Bijan Omrani and Mr Tarquin Hall for their services to the Foundation.

The Trustees are covered by trustees indemnity insurance.

THE IDRIES SHAH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Management

The board directs, within a strategic plan, the overall financial and operational strategy of the Foundation and monitors progress accordingly.

As referred to earlier, the Foundation appointed its first employee Tarquin Hall as CEO from 1 Jan 2020 on a two-year contract. The scope and scale of the Foundation's projects and activities had developed to the point where it had become necessary to have executive oversight and responsibility for the organisation's administration and financial management, and the implementation of ISF's strategic plans and annual budget developed in collaboration with the board of trustees.

The board meets formally twice a year. Virtual meetings are also held between the board on a regular basis and as necessary with the appointed project management committee members; along with regular email exchanges.

The CEO reports regularly to the board and takes part in the board meetings as appropriate. Monthly reports are issued by each member of the project management committee detailing progress made on projects that have been assigned to them.

The board are pleased to be able to work with the members of the Estate of Idries Shah - Saira, Safia and Tahir Shah who have formed the nucleus of the project management team. Each of them has a detailed and sympathetic understanding of their father's corpus of works and are able to use their knowledge, contacts and skills for the benefit of the charity; and provide, in conjunction with the CEO, ideas and methods to deliver ISF's charitable objectives for consideration by the board.

Policy documents

The Foundation has policy and management documents covering:

- Risk Policy
- Investment Policy
- Conflict of Interest Policy
- Related Parties Register

These are due to be reviewed and brought up to date in the coming year.

THE IDRIES SHAH FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2020

The trustees (who are also directors of The Idries Shah Foundation for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with 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).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company 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 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Richard Mohun

On behalf of the board

Dated: 6 May 2021

THE IDRIES SHAH FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE IDRIES SHAH FOUNDATION

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2020, which are set out on pages 16 to 34.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (the '2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's report – matters of concern identified

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants England and Wales which is one of the listed bodies.

I have completed my examination. I have identified matters of concern that give me reasonable cause to believe that the accounts prepared for the Company are not fully compliant with the accounting requirements of section 396 of the 2006 Act and have not been prepared fully in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

The expenditure for the year ended 31st March 2020 includes payments to related parties and their associates. During the course of my examination, I have not received sufficient information to evidence that all of these payments were made under normal market conditions. In addition, I have concerns that the charity's controls and procedures may not have been sufficient to identify all potential related party transactions.

During the course of my examination, I identified concerns that controls over approval of purchase payments and expense claims, and access to make payments may be insufficient to ensure that all payments made and claims paid are in accordance with the charity's objects and that these are for valid expenditure.

During the course of my examination, I identified concerns that the charity may not have adequate procedures, including those to manage potential or actual conflicts of interest. During the course of our work, we identified potential conflicts with a number of parties, including suppliers and Trustees. We have not received sufficient evidence to ascertain whether any conflicts have been appropriately managed.

THE IDRIES SHAH FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE IDRIES SHAH FOUNDATION (CONTINUED)

I confirm that no other matters have come to my attention in connection with the examination giving me reasonable cause to believe that in any material respect:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. except for the matters of concern noted above, the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; and
4. except for the matters of concern noted above, the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for 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).

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

Alexandra Shore

Alexandra Shore FCA CTA DChA
A C Mole & Sons Chartered Accountants
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

7th May2021

THE IDRIES SHAH FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Restated Total 2019 £
Income from:-					
Donations and legacies	2	105,375	69,915	175,290	192,629
Charitable activities	3	14,292	7,253	21,545	27,849
Investments	4	34,688	-	34,688	35,503
Total income		154,355	77,168	231,523	255,981
Expenditure on:-					
Raising funds	5	67,699	-	67,699	63,151
Charitable activities	6	533,040	82,839	615,879	392,276
Total expenditure		600,739	82,839	683,578	455,427
Net (losses) on investments	11	(147,451)	-	(147,451)	(69,944)
Net (expenditure)		(593,835)	(5,671)	(599,506)	(269,390)
Transfers between funds		-	-	-	-
Net movement in funds		(593,835)	(5,671)	(599,506)	(269,390)
Fund balances at 1 April		2,358,007	12,615	2,370,622	2,640,012
Fund balances at 31 March		1,764,172	6,944	1,771,116	2,370,622

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 18 to 34 form part of these financial statements

THE IDRIES SHAH FOUNDATION
BALANCE SHEET AS AT 31 MARCH 2020
COMPANY REGISTRATION NUMBER: 08193475

			2020	Restated 2019
	Notes	£	£	£
Fixed assets				
Intangible assets	13		7,081	-
Tangible assets	14		7,499	3,194
Investment properties	15		468,000	1,150,000
Fixed asset investments	16		372,167	365,945
			<hr/>	<hr/>
			854,747	1,519,139
Current assets				
Stock		40,056		-
Debtors	17	6,280		38,310
Cash at bank and in hand		911,349		849,392
		<hr/>	<hr/>	<hr/>
		957,685		887,702
Creditors: amounts falling due within one year	18	(41,316)		(36,219)
Net current assets			916,369	851,483
			<hr/>	<hr/>
			1,771,116	2,370,622
			<hr/>	<hr/>
The funds of the charity				
Restricted funds	20	6,944		12,615
Unrestricted funds	20	1,764,172		2,358,007
		<hr/>	<hr/>	<hr/>
			1,771,116	2,370,622
			<hr/>	<hr/>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its income and expenditure, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2020 in accordance with section 476 of the Companies Act 2006.

These financial statements have been prepared in accordance with the provisions of part of the Companies Act relating to the small companies regime.

The financial statements were approved by the Trustees on 6 May 2021.



Richard Mohun

Trustee

The notes on pages 18 to 34 form part of these financial statements.

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting Policies

Company information

The Idries Shah Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 8 Belmont Lansdown, Bath, BA1 5DZ.

1.1 **Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statements of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (issued October 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Idries Shah Foundation meets the definition of a public benefit entity under FRS102.

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 with items recognised at cost or transaction value unless stated otherwise within these notes.

1.2 **Going concern**

At the time of approving the accounts, 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 accounts.

1.3 **Charitable funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in note 20 to the accounts.

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 on receipt.

Legacies are recognised on receipt or otherwise if the Charity has been notified by the executor of an impending distribution, the amount is known, and receipt is probable. If the criteria for income recognition is not met, then the legacy is treated as a contingent asset and disclosed if material.

Income from the sale of books (in hard copy and in audio or in electronic form) including where sales transactions are conducted through an online retailer, are recognised as the net sale proceeds or royalties are received and are net of VAT.

Income from investments is recognised when receivable.

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting Policies (continued)

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure. It is probable that settlement will be required and the amount of the obligation can be measured reliably.

Raising funds comprises all costs associated with generating additional funds for the Charity through fundraising and investment activities.

Charitable expenditure requires those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the assurance fees and costs linked to the strategic management of the Charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

1.6 Stock

The value of stock is estimated based on applying a discount to the known sales price. Stock is valued at the lower of cost and net realisable value. Stocks may be held for sale or to be provided as part of a charitable activity either free or at a subsidised cost.

1.7 Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are recognised at cost less any accumulated amortisation and any impairment losses. Intangible assets are being amortised over the estimated useful economic life of ten years.

1.8 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:-

Fixtures, fittings and equipment	30% reducing balance
Computers	30% reducing balance

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 net income/(expenditure) for the year.

1.9 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible and intangible 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).

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting Policies (continued)

1.10 Fixed Assets Investments

Investment properties

Investment properties are initially recognised at cost and subsequently measured at fair value. The properties were valued as at 31 March 2020 on an open market basis by the Trustees. Changes in their value are recognised in the Statement of Financial Activities for the year.

Listed Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at fair value at the balance sheet date using the quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the period.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the period end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits and other short-term highly liquid investments that are readily convertible to cash with insignificant risk of change in value.

1.12 Financial instruments

The Charity only has financial assets and liabilities that qualify as basic financial instruments including debtors and cash and bank balances, trade and other payables and investments. Basic financial instruments are initially measured at transaction price and are subsequently at amortised cost with the exception of investments that are measured at their fair value.

1.13 Operating lease agreements

Rentals applicable to operating leases were substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

1.14 Critical accounting judgements on estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and adjusted for current market conditions or other factors. The Trustees make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom be exactly the same as related actual results. The estimates, assumptions and management judgements that carry a significant risk of material adjustments to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Estimation of fair value of investment properties

The fair value of investment properties was determined by review carried out by the Trustees. The Trustees consulted with property professionals to ascertain the likely value that the property may obtain if marketed at the balance sheet date. There is a risk that the actual value obtained in the event of a sale could differ from these estimates.

1.15 Prior period adjustments

Where an error or omission is identified in respect of comparative figures this is adjusted in the preceding period.

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Donations and gifts	105,375	69,915	175,290	39,478	153,151	192,629
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

3. Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Sales of books	14,292	7,253	21,545	13,908	13,941	27,849
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4. Investments

	Unrestricted funds £	Restricted funds £	Total 2020 £	Restated Unrestricted funds £	Restated Restricted funds £	Restated Total 2019 £
Income from listed investments	10,795	-	10,795	11,176	-	11,176
Property income	23,893	-	23,893	24,327	-	24,327
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	34,688	-	34,688	35,503	-	35,503
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5. Raising funds

	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Fundraising and publicity						
Staging fundraising events	5,892	-	5,892	5,932	-	5,932
Advertising and promotion	16,132	-	16,132	18,861	-	18,861
Investment management fees	932	-	932	-	-	-
	<u>22,956</u>	<u>-</u>	<u>22,956</u>	<u>24,793</u>	<u>-</u>	<u>24,793</u>
Cost of maintaining investment properties						
Investment property overheads	33,712	-	33,712	31,870	-	31,870
Depreciation and impairment	941	-	941	1,344	-	1,344
Support governance costs (Note 7)	10,090	-	10,090	5,144	-	5,144
	<u>44,743</u>	<u>-</u>	<u>44,743</u>	<u>38,358</u>	<u>-</u>	<u>38,358</u>
Total	<u>67,699</u>	<u>-</u>	<u>67,699</u>	<u>63,151</u>	<u>-</u>	<u>63,151</u>

THE IDRIES SHAH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

6. Charitable activities

	Website and social media operating Costs £	Middle East Language Translation and publishing Costs £	English, Spanish and other Languages Publishing Translation & Distribution Costs £	General Education Activities £	Total 2020 £	Total 2019 £
Translation, editing & production	-	25,126	67,304	-	92,430	95,351
Social media costs	42,847	-	-	-	42,847	36,118
Distribution	-	-	25,080	-	25,080	19,395
Design	-	6,797	23,570	-	30,367	33,916
Editing, design and publishing	-	-	44,243	-	44,243	36,768
Project management costs	-	33,000	112,448	-	145,448	118,090
Grants	-	-	-	569	569	-
Study courses	-	-	-	4,500	4,500	-
Visibility awards	-	-	-	19,259	19,259	-
UNESCO story competition	-	-	-	92,619	92,619	-
Web design and maintenance	29,776	-	-	-	29,776	-
Closing stock	-	-	(40,056)	-	(40,056)	-
	<u>72,623</u>	<u>64,923</u>	<u>232,589</u>	<u>116,947</u>	<u>487,082</u>	<u>339,638</u>
Share of support costs (Note 7)	11,619	10,387	43,620	18,710	84,336	28,107
Share of governance costs (Note 7)	6,125	5,476	22,996	9,864	44,461	24,531
	<u>90,367</u>	<u>80,786</u>	<u>299,205</u>	<u>145,521</u>	<u>615,879</u>	<u>392,276</u>

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

6. Charitable activities (continued)

	Website and social media operating Costs £	Middle East Language Translation and publishing Costs £	English, Spanish and other Languages Publishing Translation & Distribution Costs £	General Education Activities £	Total 2020 £	Total 2019 £
Analysis by fund for the year ended 31 March 2020						
Unrestricted fund						
– general	90,367	64,662	224,990	137,271	517,290	128,949
Designated						
– ISF Visibility	-	3,000	4,500	8,250	15,750	-
Restricted funds	-	13,124	69,715	-	82,839	263,327
	<u>90,367</u>	<u>80,786</u>	<u>299,205</u>	<u>145,521</u>	<u>615,879</u>	<u>392,276</u>
For the year ended 31 March 2019						
Unrestricted funds- general	9,560	11,174	108,215	-		128,949
Restricted funds	60,674	63,852	138,801	-		263,327
	<u>70,234</u>	<u>75,026</u>	<u>247,016</u>	<u>-</u>		<u>392,276</u>

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

7. Support costs

	Support costs	Governance costs	2020	2019	Basis of allocation
	£	£	£	£	
Amortisation	574	-	574	-	Resources expended
Depreciation	313	-	313	25	Resources expended
Bank charges	3,797	-	3,797	1,801	Resources expended
Exchange differences	9,613	-	9,613	552	Resources expended
General office costs	2,766	-	2,766	912	Resources expended
Insurance	810	-	810	654	Resources expended
Irrecoverable VAT	14,019	-	14,019	3,936	Resources expended
Travel and subsistence	10,556	-	10,556	2,117	Resources expended
Licence fees	36,465	-	36,465	20,856	Resources expended
Rent	2,370	-	2,370	-	Resources expended
Repairs and maintenance	1,725	-	1,725	-	Resources expended
Accountancy	-	15,710	15,710	11,480	Governance
Other professional services	7,935	15,800	23,735	14,634	Governance
Trustee expenses	-	184	184	815	Governance
Staff costs	-	16,250	16,250	-	Governance
	<u>90,943</u>	<u>47,944</u>	<u>138,887</u>	<u>57,782</u>	
Analysed between					
Raising funds	6,607	3,483	10,090	5,144	
Charitable activities	84,336	44,461	128,797	52,638	
	<u>90,943</u>	<u>47,944</u>	<u>138,887</u>	<u>57,782</u>	

The Foundation initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the charitable activities undertaken in the year.

In undertaking a review it was resolved that the Licence Fees paid to the Estate of Idries Shah for the right to product digital audio print additions in any language of the works of Idries Shah should be now presented as a support cost allocated across all charitable activities.

Where possible support costs are allocated directly to the relevant charitable activity. Governance costs are allocated on the basis of the ratio of resources expended between the charitable activities.

Governance costs include £15,710 (2019: £11,480) for accounting and assurance work and £23,735 (2019: £14,634) for other professional services.

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

8. Independent Examination Remuneration

	2020 £	2019 £
Independent Examination Remuneration		
- Predecessor Firm		
Independent examination fee	-	2,870
Accountancy services	7,900	8,610
Other services	8,600	12,613
Independent Examination Remuneration		
Independent examination fee	2,500	-
Accountancy services	5,310	-
Other services	2,190	-
	<hr/>	<hr/>
	26,500	24,093
	<hr/>	<hr/>

9. Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year (2019: none).

One (2019: three) Trustees were reimbursed a total of £184 (2019: £815) relating to travel costs to Trustee meetings during the year.

No donations were received from the Trustees during the year (2019: none).

10. Wages and Salaries

	2020 £	2019 £
Gross wages	16,250	-

No individual employee was paid over £60,000 (2019: nil).

The average monthly number of employees during the year was 0.25 (2019: nil).

The key management personnel are identified as the Chief Executive Officer. The total employee benefits, inclusive of pension and social security costs, of the key management personnel of the charity were £16,250 (2019: £nil).

11. Net (losses)/gains on investments

	2020 £	2019 £
Revaluation of stock market investments	(3,639)	56
Revaluation of investment properties	(122,000)	(70,000)
(Loss) on sale of investment property	(21,812)	-
	<hr/>	<hr/>
	(147,451)	(69,944)
	<hr/>	<hr/>

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

12. Taxation

The Charity is recognised by HM Revenue & Customs and therefore benefits from certain exemptions from taxation on income and gains, to the extent they are applied for charitable purposes.

13. Intangible fixed assets	Website £	Total £
Cost		
At 1 April 2019	-	-
Additions	7,655	7,655
	<hr/>	<hr/>
At 31 March 2020	7,655	7,655
	<hr/>	<hr/>
Amortisation		
At 1 April 2019	-	-
Amortisation charged in the year	574	574
	<hr/>	<hr/>
At 31 March 2020	574	574
	<hr/>	<hr/>
Carrying amount		
At 31 March 2020	7,081	7,081
	<hr/>	<hr/>
At 31 March 2019	-	-
	<hr/>	<hr/>

14. Tangible fixed assets	Fixtures Fittings & Equipment £	Computers £	Total £
Cost			
At 1 April 2019	18,660	347	19,007
Additions	489	5,070	5,559
	<hr/>	<hr/>	<hr/>
At 31 March 2020	19,149	5,417	24,566
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 April 2019	15,524	289	15,813
Depreciation charged in the year	941	313	1,254
	<hr/>	<hr/>	<hr/>
At 31 March 2020	16,465	602	17,067
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 March 2020	2,684	4,815	7,499
	<hr/>	<hr/>	<hr/>
At 31 March 2019	3,136	58	3,194
	<hr/>	<hr/>	<hr/>

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

15. Investment property

	£
Fair value	
At 1 April 2019	1,150,000
Disposal at carrying value	(560,000)
Revaluation	(122,000)
	<hr/>
At 31 March 2020	468,000
	<hr/>

The fair value of the investment properties is based on a review carried out by the Trustees and the Management Committee. In doing so Management consulted with property professionals to ascertain the likely value that the property may obtain if marketed at the Balance Sheet date. The property is held on a long lease.

If investment properties were stated on a historical cost basis rather than a fair value basis, the amounts would have been included as follows:-

	2020 £	2019 £
Cost	550,512	1,184,210
	<hr/>	<hr/>
	550,512	1,184,210
	<hr/>	<hr/>

16. Fixed assets investments

	2020 £	Restated 2019 £
Listed investments	306,366	310,006
Cash or cash equivalents	65,801	55,939
	<hr/>	<hr/>
	372,167	365,945
	<hr/>	<hr/>

Fixed asset investments revalued

The Charity holds investments listed on a recognised stock exchange. The value of the investments are provided by the fund managers and are based on the quoted market price.

Movements in fixed asset investments

	Total 2020 £	Restated Total 2019 £
Market value at 1 April	310,006	309,950
Net gain/(loss) on revaluation	(3,640)	56
	<hr/>	<hr/>
Market value 31 March	306,366	310,006
Cash held in investment portfolio	65,801	55,939
	<hr/>	<hr/>
	372,167	365,945
	<hr/>	<hr/>

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

17.	Debtors			2020	Restated 2019
				£	£
	Prepayments and accrued income			4,852	38,310
	VAT			1,428	-
				<hr/>	<hr/>
				6,280	38,310
				<hr/>	<hr/>
18.	Creditors: amounts falling due within one year			2020	2019
				£	£
	Other taxation and social security			2,064	303
	Other creditors			24,252	25,715
	Accruals			15,000	10,201
				<hr/>	<hr/>
				41,316	36,219
				<hr/>	<hr/>
19.	Grants and donations				
		Grants to Institutions	Grants to Individuals	2020	2019
		£	£	£	£
	UNESCO Project	78,883	-	78,883	-
	Books for Afghanistan	569	-	569	-
		<hr/>	<hr/>	<hr/>	<hr/>
		79,452	-	79,452	-
		<hr/>	<hr/>	<hr/>	<hr/>

20. Statement of funds

The Board wish to express their appreciation of the continued support given to the Foundation by the Nightingale Family Foundation (NFF) for the ISF English Language Project. This project focuses on the distribution of many of the works of Idries Shah to the English speaking world via a combination of traditional and evolving media.

Equally welcome is the support given by the NFF to the Spanish Language Project, the Children's Books for Afghanistan and Chinese Language Project; all projects are reported as restricted funds of the Charity.

The Spanish Language Project, following the English Language Project, distributes the works of Idries Shah to the Spanish speaking world, again using a combination of traditional and evolving media.

The Children's Books for Afghanistan Project looks to provide illustrated books to children in Afghanistan. English-language and other European editions of these books are being printed and sold to raise funds to provide Afghan versions of the same books to the children.

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

20. Statement of funds – (continued)

The Limited and Special Editions Project is an initiative to produce quality copies of selected works of Idries Shah. The Board have directed that all sale proceeds from these limited and special editions shall be used to assist in the funding of the Children's Books for Afghanistan Project.

The Chinese Language Project is an initiative to explore the feasibility of producing and distributing copies of the works of Idries Shah in the Mandarin Chinese.

The General Visibility Fund is an initiative to increase ISF's public profile through two sub-projects, namely the ISF Awards and Hand-printed Stories.

	Balance at 1 April 2019	Income	Expenditure	(Loss) on Investments	Transfers	Balance March 2020
	£	£	£	£	£	£
Unrestricted funds						
General funds	2,358,007	94,456	(584,526)	(147,451)	-	1,720,486
Designated						
ISF General Visibility Fund	-	59,899	(16,213)	-	-	43,686
Total Unrestricted funds	2,358,007	154,355	(600,739)	(147,451)	-	1,764,172
Restricted funds						
The English Language Project	-	32,118	(32,118)	-	-	-
The Spanish Language Project	2,227	31,926	(34,153)	-	-	-
Children's Books for Afghanistan Project	-	13,124	(13,124)	-	-	-
The Limited and Special Editions Project	2,874	-	-	-	-	2,874
The Chinese Language Project	7,514	-	(3,444)	-	-	4,070
Total Restricted funds	12,615	77,168	(82,839)	-	-	6,944
Total Funds	2,370,622	231,523	683,578	(147,451)	-	1,771,116

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Prior Period statement of funds – Restated

	Balance at 1 April 2018	Income	Expenditure	(Loss) on Investments	Transfers	Balance March 2019
	£	£	£	£	£	£
Unrestricted funds	2,614,122	88,889	(192,100)	(69,944)	(82,960)	2,358,007
Restricted funds						
The English Language Project	-	59,821	(77,520)	-	17,699	-
The Spanish Language Project	22,511	58,583	(78,867)	-	-	2,227
Children's Books for Afghanistan Project	-	41,174	(42,958)	-	1,784	-
The Limited and Special Editions Project	3,379	-	(505)	-	-	2,874
The Middle East Languages Project	-	-	(63,477)	-	63,477	-
The Chinese Language Project	-	7,514	-	-	-	7,514
Total restricted funds	25,890	167,092	(263,327)	-	82,960	12,615
Total Funds	2,640,012	255,981	(455,427)	(69,944)	-	2,370,622

21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2020 are represented by:-			
Intangible assets	7,081	-	7,081
Tangible assets	7,499	-	7,499
Investment properties	468,000	-	468,000
Stock market investments	372,167	-	372,167
Net current assets	909,425	6,944	916,369
	<u>1,764,172</u>	<u>6,944</u>	<u>1,771,116</u>

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

21. Analysis of net assets between funds – continued

	Restated Unrestricted Funds £	Restricted Funds £	Restated Total £
Fund balances at 31 March 2019 are represented by:-			
Tangible assets	3,194	-	3,194
Investment properties	1,150,000	-	1,150,000
Stock market investments	365,945	-	365,945
Net current assets	838,868	12,615	851,483
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	2,358,007	12,615	2,370,622
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22. Related Party Transactions

Transactions with related parties

During the year the Charity entered into the following transactions with related parties:-

Saira, Safia and Tahir Shah are the children of Idries Shah and are the Trustees and beneficiaries of the Idries Shah Estate. The Estate holds the worldwide Intellectual Property Rights of all of Idries Shah works.

These accounts include the time apportioned fees for agreed Licences granted by the Estate in 2018 and earlier financial years of £37,470 (2019: £20,858). At the year end a sum of £nil (2019: £37,470) has been deferred to subsequent periods in keeping with the period of Licence Agreements and is reflected within prepayments in Note 17.

In recognising their appreciation, knowledge and understanding of the works of their father, and noting their collective skills and contacts, the Board have sought to retain the services of Saira, Safia and Tahir Shah for which each are remunerated.

For their services they were paid (collectively) £128,897 (2019: £126,280). At the year end £2,978 (2019: £8,333) was owed for their services.

During the year, £27,805 (2019: £nil) was paid to Secretum Mundi Limited for management fees, of which Tahir Shah was a director.

During the year, £1,180 (2019: £nil) was paid to Lexicon Editorial Services for research and editorial fees. The proprietor of Lexicon Editorial Services is a close family member of Tahir Shah.

During the year consultancy fees of £5,250 (2019: nil) were paid to the Chief Executive, for services prior to his appointment as Chief Executive.

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

23. Operating leases

The following amounts were charged to the Statement of Financial Activities during the year:-

	2020	2019
	£	£
Operating leases	790	-

24. Commitments

At 31 March 2020 the Charity had total commitments under non-cancellable operating leases expiring as follows:-

	Land and Buildings	
	2020	2019
	£	£
Less than one year	9,600	-
Between two and five years	7,110	-
	<u>16,710</u>	<u>-</u>

25. Prior Year Restatements

Income classification

The prior year comparatives have been restated to reflect a correction to the classification of income. Income from raising funds was £24,327 of which £24,327 was investment income. This amount has been reclassified to investment income within the comparative figures. There is no net impact on total income of this adjustment.

Investment classification

The prior year comparatives have been restated to reflect a correction to the classification of cash held in investment portfolios. Previously the cash held in the investment portfolio was classified within cash at bank and in hand. However, in accordance with the Statement of Recommended Practice, classification as cash within fixed asset investments is more appropriate. £55,939 has therefore been reclassified from cash to investments. There is no impact on total assets of this adjustment.

Current asset classification

The prior year comparatives have been restated to reflect a correction to the classification of PayPal accounts. Previously the PayPal balances were shown within other debtors, however, classification as cash at bank and in hand is more appropriate. £20,107 has therefore been reclassified from debtors to cash in hand. There is no impact on total assets of this adjustment.

Funds overstated

During the year it was identified that the PayPal balance was overstated by £5,699. The missing expenditure related to periods prior to 1 April 2018. Brought forward balances have been restated to correct this amount.

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

25. Prior Year Restatements – continued

The effect of the prior year adjustments on the reserves as at 1 April 2018 is as follows:

	Unrestricted Funds £	Restricted Funds £	Total Funds £
As previously reported	2,619,821	25,890	2,645,711
Prior year adjustment	(5,699)	-	(5,699)
	<hr/>	<hr/>	<hr/>
As restated at 1 April 2018	2,614,122	25,890	2,640,012
	<hr/>	<hr/>	<hr/>

26. Prior year Statement of Financial Activities For the year ended 31 March 2019 - Restated

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £
Income from:-			
Donations and legacies	39,478	153,151	192,629
Charitable activities	13,908	13,941	27,849
Investments	35,503	-	35,503
	<hr/>	<hr/>	<hr/>
Total income	88,889	167,092	255,981
	<hr/>	<hr/>	<hr/>
Expenditure on:-			
Raising funds	63,151	-	63,151
Charitable activities	128,949	263,327	392,276
	<hr/>	<hr/>	<hr/>
Total expenditure	192,100	262,327	455,427
	<hr/>	<hr/>	<hr/>
Net (losses) on investments	(69,944)	-	(69,944)
	<hr/>	<hr/>	<hr/>
Net outgoing resources before transfers	(173,155)	(96,235)	(269,390)
Gross transfers between funds	(82,960)	82,960	-
	<hr/>	<hr/>	<hr/>
Net movement in funds	(256,115)	(13,275)	(269,390)
Fund balances at 1 April 2018	2,614,122	25,890	2,640,012
	<hr/>	<hr/>	<hr/>
Fund balances at 31 March 2019	2,358,007	12,615	2,370,622
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