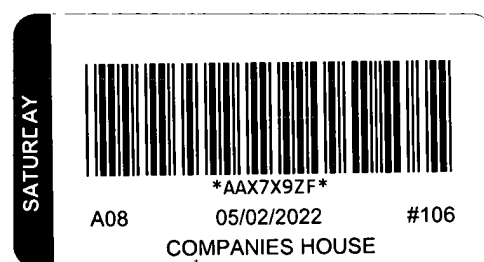


THE IDRIES SHAH FOUNDATION
ANNUAL REPORT OF TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021



Company Number: 08193475
Charity Registered in England and Wales Number: 1150876

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
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Independent Examiner: Alexandra Shore FCA CTA DChA
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Blackbrook Park Avenue
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THE IDRIES SHAH FOUNDATION

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THE IDRIES SHAH FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The Trustees are pleased to present their Annual Report together with the Financial Statements of the Charity for the year ended 31 March 2021, 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 2019).

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; and Spanish editions aimed at the Latin world.
- To develop an English publishing programme to re-introduce the works of Idries Shah in hard copy, electronic and audio editions

THE IDRIES SHAH FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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

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

English Language Publishing Programme

ISF has continued its commitment to publishing new editions of all of Idries Shah's books in English, with four new titles brought out between April and March. This brings the total published by the Foundation to thirty nine.

All the titles have been made available worldwide in hardback, paperback and as ebooks and audio books. The entire corpus is also available on the website to read for free. The Trustees are grateful to all those who have dedicated themselves to achieving this landmark goal, which is nearing completion.

New editions:

Between April 2020 and the end of March 2021, ISF published the following Idries Shah titles:

- Knowing How to Know
- Darkest England
- The Natives are Restless
- The Englishman's Handbook

Several large print and pocket editions of existing English titles were also published.

The English language programme and the Spanish language programme (see below) has been managed by Tahir Shah. The board would like to thank him for his work on seeing these books published.

Spanish Language Publishing Programme

Steady progress has continued on this project – one cornerstone of ISF's publishing work. ISF has been committed to translating and publishing all of Idries Shah's backlist in Spanish.

The Latin world represents the second largest readership for Shah's work and ISF is committed to growing this market in the coming years and decades. The Foundation is deeply grateful to the considerable financial donations it has received in support of this effort, in particular from one donor in the USA.

THE IDRIES SHAH FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

New Spanish Editions

Two additional titles have been translated and published between April 2020 and the end of March 2021. These are:

- La Exploración Dérmica
- El Monasterio Mágico

This brings the total number of Spanish titles that ISF has translated and published, as at 31 March 2021, to fourteen.

Several large print and pocket editions of existing ISF Spanish titles were also published.

Middle East and Asian Translation Publishing Programme

The purpose of this project, which is managed by Saira Shah, is to 'give back' liberal ideas nurtured within an Islamic tradition, by translating a selection of Idries Shah's books into the major languages of the Middle East and Asia. In the process, ISF hopes to inspire and inform with regard to a centuries-old tradition within Islam that stresses universal values such as teaching people how to think for themselves, to ignore externals and treat the things of the world with a certain irreverence – applying humour, generosity, kindness, intelligence and common sense.

Farsi and Dari Translations

10 titles in both these languages are now in print and this part of the programme is complete. These titles are available for purchase via Lulu print-on-demand and also available to read free of charge on the Foundation's website.

Turkish language programme:

After an exhaustive selection process last year, two translators were commissioned in Turkey to undertake the translation of ten of Idries Shah's titles. The translation work on two books is complete. ISF plans to publish all ten Turkish titles by the end of 2021.

The board would like to thank Saira for her work on managing the translation and publication of these books.

Illustrated Children's Books

The project to publish Children's books has been managed by Safia Shah.

The individual stories re-produced in these books are sourced from the extensive canon of Teaching Stories collected and written by Idries Shah during his lifetime. Fun and entertaining, yet infused with Aesopian wisdom, these children's books enshrine – in their characters, plots and imagery – patterns and relationships that increase our understanding, flexibility, and breadth of vision.

As at the end of March 2021, ISF have published six children's books. They can be purchased in hardback editions through the website and are available to read for free online.

THE IDRIES SHAH FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

New Books

In December 2019, the Trustees approved the creation 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

Editorial work on these books has progressed steadily with delivery of the titles anticipated by the end of 2021.

Children's Books for Afghanistan Project

Over the past 20 years, the US charity, Hoopoe Books, has distributed more than five million copies of Idries Shah picture books to Afghan children. A new partnership agreed with Hoopoe in early 2020 promises to provide ISF support in distributing the Foundation's six children's books across Afghanistan.

ISF has continued to raise funds for this endeavour through the sales of its hardback limited editions.

Distribution Pilot

Towards the end of our last financial year, in February 2020, the Foundation funded the translation in Dari and Pashtu of one of the children's titles, *Speak First and Lose*.

Covid caused a delay in distribution. However, starting in June 2020, Hoopoe and its partner charity, the Khatiz Organisation for Afghanistan (KOR), distributed 3,000 copies of the ISF title to schools and charities promoting education across Afghanistan, including The Afghan Mobile Mini Circus, the HADIA Foundation, the Student Leadership Group, Lamia the Afghan Foundation, Kabul Orphan Care and Mahbooba's Promise, etc. This distribution was independently verified by ISF and, subsequently, the Foundation agreed to fund the printing and distribution of 5,000 additional copies across Afghanistan.

ISF is extremely grateful to both Hoopoe and KOR for their invaluable support

The board would like to thank Safia for her work on managing the above projects developing and publishing illustrated children's books.

UNESCO Collaboration

In 2019, through the initiative of Tahir Shah, ISF 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 182 countries were invited to write, in English or French, up to 500 words on the theme 'Once Upon a Time in My Future...'. The collaboration with UNESCO is viewed as a means by which the Foundation can both further its educational charitable objectives and increase its profile.

THE IDRIES SHAH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Competition Deadline Extension

Covid lockdowns around the world hampered UNESCO's ability to communicate effectively through its networks. By the summer of 2020, UNESCO had received fewer than expected entries and the deadline was extended to the end of the year.

Results

UNESCO received 7,000 eligible entries from as far afield as Chile and Mongolia. Continuing staff shortages at UNESCO delayed the selection process and as at the end of March 2021 a short list was still pending. An online awards ceremony was planned for July 2021 with iPads and medals going to the winners.

Website and Social Media Programme

ISF's bespoke-coded website, launched in November 2019, has proven challenging to manage. In August 2020, an audit of the site commissioned from an independent analyst specialising in charity websites concluded that it was performing poorly in terms of searchability. The same expert deemed the management of the Foundation's Google grant poor, the main problem being the lack of any content designed to attract 'organic' traffic.

Two other consultants assessed ISF's social media content and strategy, and made various recommendations for its improvement. The CEO was further advised that the charity did not require a bespoke-coded website in order to secure a Google grant (search ads.).

It was determined that ISF should create a new SEO-optimised Wordpress site that could be locally managed. In February 2021, a designer was retained to create a design and structure for the site, and discussions began with the CEO on construction and content.

World Tales StoryBank

This online project was conceived by Tahir Shah and the CEO, the basic concept being an interactive website inspired by Shah's collection, *World Tales*. A best-seller when it was first published in 1979, the richly illustrated book drew together traditional stories which have appeared 'in all times, in all places', transcending national boundaries. Building on this concept, the World Tales StoryBank will capitalise on the power of the internet to demonstrate how stories constitute a world heritage binding humanity with common narrative threads.

Work began on the concept and basic structure of the site in 2020. But the Covid pandemic, together with unforeseen demands on the CEO's time with regard to governance and licensing issues, meant that the project had to be paused.

GOVERNANCE AND CHARITY OBJECTS

Governance Review

In early 2020, problems began to arise for the CEO and board in trying to ensure, notwithstanding the value of energy and ideas, adherence by one member of the Project Management Committee to the established processes, responsibilities and accountability with regard to project approval and expenditure.

THE IDRIES SHAH FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Subsequently on 9 July 2020, the Chair proposed to the board that ISF should commission Stone King, ISF's legal advisers, to review the Foundation's governance requirements and to continue to assist ISF to find the basis by which a long-term licence agreement between ISF and the Estate could be achieved - discussions that had started back in November 2019; 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 members of the Project Management Committee; and as part of the review Stone King carried out individual interviews.

Stone King's report was presented on 24th September 2020 and welcomed by all parties. It highlighted shared objectives and a willingness to form a common vision and strategy for the future. The report emphasised the necessity for governing protocols to ensure that the Foundation would be able to exercise due diligence in matters of transparency and public benefit. It also underscored the urgency for the Foundation to secure a new long-term license agreement that would cover both the Shah family's requirements in terms of ensuring the protection of Idries Shah's legacy and reputation, and the Foundation's requirement of being able to ensure that the necessary public benefit from the use of its funds and donations would be protected and realized.

The Stone King governance review recommended that a Memorandum of Understanding (MOU) be signed between 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, and in relation to accounting processes from the Independent Examiner.

Additional matters regarding some trustee communications to third parties and in relation to the CEO arose in September and October 2020 – and again in November with regard to what was acceptable to ISF with regard to a new licence agreement with the Estate.

Trustee Resignations and New Appointments

On 12 December 2020, trustees Thomas Merchant and Barbara Xella resigned. On 20 January 2021, two new trustees were appointed: 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.

Memorandum of Understanding

On 27 March 2021, the MOU was signed with the Estate. It was agreed between the two parties to sign a 20 year-license agreement covering a large publishing list of titles: those books that to date had been, or were in the process of being, published from funds provided by the Foundation. The MOU further outlined ISF's intention to continue working in close concert with the Estate, whose continued involvement and specialised expertise was considered vital for the Foundation's continued development and its ability to fulfil its objects. In accordance with the terms and schedule identified in the MOU, the ISF board also committed to working to expand its number to five trustees.

ISF's Objects

During negotiations on the terms of the MOU and license agreement, the board communicated to the Estate its intention to alter the objects of the charity to the following:

1. *The advancement of education by the dissemination and promotion of the works of Idries Shah; and*
2. *The promotion of the arts, culture and heritage with particular (but not exclusive) reference to the works of Idries Shah.*

The reason for such a change to the objects was to narrow the scope so that the Estate could be assured that their father's work would remain the focus of ISF's activities for the duration of the licence agreement.

THE IDRIES SHAH FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW

Investments

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

Property Investments:

- The Foundation has one remaining property. This investment remains under review and the board will evaluate it when the Covid pandemic and turbulence in the property and rental market has stabilised.

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 2021 = £ 423,007 (2020: £372,167)
 - and as at 31 Dec 2021 = £450,647
- 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 finalised next year.

Total Income

Income from all sources (donations & legacies, book sales, property income, and investment funds' income) totalled £160,436 (2020: £231,523).

This year little income could be generated from the property because of the Covid pandemic: £1,338 (2020: £23,893).

Income from books sales nearly doubled: £40,099 (2020: £21,545).

With regard to donations, unrestricted donations were similar to last year: £108,886 (2020: £105,375) but no restricted funds were generated for specific projects: £0 (2020: £69,915)

Investment fund income was slightly down from the previous year: £10,113 (2020: £10,795)

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 £532,316 (2020: £683,578).

After adjustment for the movement in the value of the investments, net outgoing resources totalled £(297,857) (2020: (£599,506))

THE IDRIES SHAH FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

RESERVES

The board recognises the need to maintain a reserve sufficient to ensure that the Foundation is able to meet all on-going commitments.

The Foundation has 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 2021 of £1.47m (2020: £1.77 million; 2019: £2.37 million).

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 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 property and contents are kept in good order.

Appropriate insurance cover is obtained for the Foundation's activities inclusive of cover for the investment property 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) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

POST BALANCE SHEET EVENTS

License Agreement

On the 10th June 2021, a new 20-year license was signed with the Estate. ISF has retained the rights to publish the complete works of Idries Shah in English, making them available to a worldwide readership in multiple formats including hardback, paperback, ebook and audio book.

The license also provides ISF with the rights to continue publishing sixteen titles in Spanish, ten in Dari, ten in Farsi, ten in Turkish and ten in Urdu. ISF may also continue to publish the six existing children's books in English along with six of the nine new titles commissioned in December 2019.

This secures the realisation of public benefit for the generous donations ISF has received and will allow the charity to fulfill its objectives.

However, ISF was not extended the rights to publish any more Spanish titles. The rights to publish the children's books in additional languages were also removed, leaving the Foundation with just the Dari and Pashtu edition of *Speak First and Lose*.

Charity Commission Meeting

Following the issues faced by the board and the governance review, ISF collaborated with the Charities Commission (CC) to ensure that ISF was operating firmly within the guidelines provided by the commission.

The Chair and CEO met with representatives of the CC at the ISF office in Bath on 6th Sept 2021 where we discussed the areas of ISF's management and operations that we had been reviewing and improving over the last twenty months. Subsequently the CC made some recommendations and requirements which the Board have accepted, and are in the process of implementing.

New Strategic Plan

In October 2021, the board voted for a new revised strategic plan written by the CEO in consultation with the Chair and members of the Estate. Above all, this provides a clear strategy for increased distribution of Shah's books during the term of the license agreement.

The CEO has been directed by the Board to write a budget and business plan for the next five years so as to fulfill the objectives laid out in the strategic plan. With ISF's publishing initiative all but complete, the Foundation will concentrate its efforts on promoting and increasing distribution of Idries Shah's books.

Project Management Committee

In October 2021, Tahir Shah elected to discontinue working with the Foundation.

In December 2021, Safia Shah also decided not to renew her consultancy agreement beyond the end of 2021, citing her desire to concentrate on her own work.

Saira Shah will continue working on the project management committee.

The board would like to thank Tahir and Safia for their work over many years on the Foundation's projects; and are open to consider new proposals/work arrangements in the future.

THE IDRIES SHAH FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

'Archive Fund' Appeal

On 16 April 2020, a social media appeal was posted by a member of the Estate to fund the publication of: *'5,000 pages of unpublished work left by my father, Idries Shah. It contains hundreds of teaching stories, and even full-length books.'*

This appeal for restricted donations was not authorised by the trustees, and the board (past or present) had not been shown any of the material described in the appeal.

Therefore, in December 2021, given that no proposal had subsequently been presented to the board to publish the unpublished works by Idries Shah referred to in the appeal, the board instructed the CEO to identify donors who might have provided funds on the basis of this unauthorised appeal; and to contact them and offer to return their money if they had intended their donations to be used for publishing the material described in the appeal.

Extension of CEO's contract

The employment contract with the CEO, signed at the end of 2019, was for two years ending 31 December 2021.

At a Zoom meeting held on 26 November 2021, the trustees Richard Mohun and Clare Maxwell-Hudson reviewed the CEO's performance and the situation for ISF; and agreed, after discussions with Tarquin Hall, to extend the contract for one year with a review after six months.

The CEO has worked very hard over the last two years, in a challenging situation, to improve the way ISF operates and ISF now had a firm platform (appropriate governance, policies and procedures, a new long-term licence agreement, a significantly improved website etc.) to fulfil its objectives. In the coming year the focus of the CEO would be on the implementation of the new five strategic plan which he is ideally suited to manage and oversee.

Asya Verzhbinsky recused herself from the discussion (to avoid, as a related party, a conflict of interest over the discussion and decision).

The Foundation's Objects

In January 2022, ISF's lawyers, Stone King, were instructed to apply to the Charities Commission to amend the Foundation's objects (as set out above, in the Governance and Charity Objects Section)

THE IDRIES SHAH FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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

The matters of concern identified within the Independent Examiner's report relate to on-going issues that the Chair and Board of Trustees have been systematically tackling since the concerns were identified

To that end, we have instigated work in consultation with our lawyers, charity advisors and all relevant bodies with the aim of ring fencing and protecting the future of the charity. Due to the nature of accounting periods, the issues raised span dates over two years. Details of steps we have taken are addressed in the trustees' report above.

The one new item of concern that has been raised refers to unauthorised fundraising that was undertaken without the knowledge of the trustees. Again, the actions of the board have been set out in our trustees' report above.

Although it is always useful to review and update processes and procedures which we have been doing, a number of the problems being referred to arose from a disregard by a representative of the charity of what had been established practice in the charity. Namely, that required formal proposals and budgets must be presented to the board for approval.

When the Chair/CEO identified the activities and person of concern we took actions as soon as was feasibly possible to tackle the issues. Additionally, as part of the process, we set out to secure and solidify the future of the charity by pursuing a long-term license, more structured protocols and even more stringent procedures.

PLANS FOR THE FUTURE

Publishing and book distribution

With the publishing work in English, Spanish, Farsi, Dari and Turkish all but complete, it is imperative that ISF focuses more on worldwide distribution of Idries Shah's works through both book sales and other charitable activities. The CEO has been working to raise funds for this.

The Foundation will review its approach to book distribution taking advantage of expert advice from publishers and distributors to enhance sales of Idries Shah's books worldwide.

Remaining Publishing Work

English:

Sufi Studies East & West, to be published in 2022.

Spanish:

Tales of the Dervishes, to be published in 2022.

Learning How to Learn, to be translated in 2022 subject to funding.

Children's Books:

ISF will be publishing six new children's books in 2022/23

The Foundation will create new paperback and ebook editions of the twelve children's books licensed by the Estate.

Middle East and Asian Translations:

At the time of writing the Turkish translation programme is complete and all ten titles have been published. ISF will now conduct a feasibility study for the Urdu translation programme.

THE IDRIES SHAH FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Hand-Printed Books:

ISF commissioned a print-making collective in Bristol to produce 500 hand-printed copies; 100 each of five of Idries Shah's best known tales. All these copies will be made available for sale with the proceeds supporting the books for children in Afghanistan project.

The above will complete the titles licensed to the Foundation by the Estate. No further publishing is planned.

Website, social media and reach

The new SEO-optimised website will enhance ISF's ability to reach those searching for Idries Shah's books, Sufi literature, traditional psychology and teaching stories. The charity's social media will be also be revamped and re-energised. For the first time, the social media will be fed content consistently from the website, linking back to landing pages and books pages, and taking advantage of ISF's greatest resource: the vast reservoir of Sufi stories.

The Foundation will launch a sustained, targeted campaign to connect with the many scholars, psychologists, writers, thinkers and artists already familiar with Shah's writing; the aim being to engender support in the form of reviews, endorsements and acknowledgements of his influence on their own work.

Cultural Activities

UNESCO-ISF Partnership

ISF will continue to develop its partnership with UNESCO building on the success of the short story competition. The awards ceremony for the story competition was eventually held on 8th July 2020 with the winners from around the world joining hosts Saira Shah and Safia Shah to read their stories.

On 8th December 2021, UNESCO-ISF held a webinar, organised by the CEO and Saira Shah, on the *Power of Stories*. Saira hosted the event, speaking with a diverse group of educators, scientists, therapists and writers, each of them using stories to better understand how we think and to bring about change. This included Professor Joe Devlin, Experimental Psychologist, University College London, Lucy Hawking, Children's Novelist and Science Educator and Dr. Ayesha Ahmad, Senior Lecturer in Global Health, St. George's University of London.

Awards

The ISF 2019 awards were designed to promote the charity's name and brand image. ISF will take stock of whether the continuation of such awards is apposite to the fulfilment of the charity's objectives. It should be noted, however, that the charity is unlikely to be able to fund the continuation of this costly scheme in its current form. However, it is envisaged giving just one award a year to a recipient whose work can be directly related to the charity's objectives and inviting him or her to give a lecture.

World Tales StoryBank

This project was paused in early 2021. However it is envisaged work will begin again in 2022, with the aim of creating the world's largest seed bank of stories and folklore. This will promote the core philosophy inherent in Shah's book, *World Tales* – that stories are vital to human development. An interactive website, StoryBank will maintain the 65 stories rendered by Shah as 'core stories', and link them with versions from around the world.

THE IDRIES SHAH FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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:

Richard Mohun:	Appointed 01 Dec 2016	
Clare Maxwell-Hudson :	Appointed 20 Jan 2021	
Asya Verzhbinsky	Appointed 20 Jan 2021	
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.

The Trustees are covered by trustees indemnity insurance.

Professional advisers

Accountancy

Following a shortlist produced by the CEO and final Zoom interviews with the Chair and CEO, a new accountancy firm, AC Mole, was formally appointed by the board on 2 April 2020 to be ISF's new accountants. AC Mole has extensive experience assisting charities.

Legal

ISF's legal advisers are Stone King, recognised as one of the leading law firms for charities in the UK.

THE IDRIES SHAH FOUNDATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Management

Board of trustees

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

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

Policy documents

The Foundation has policy and management documents that, subsequent to the year ending 31 March 2021, have been reviewed, updated and extended, and now comprise:

- | | |
|---------------------------------|---|
| 1. Trustees' Code of Conduct | 11. Reserves Policy |
| 2. Conflict of Interest Policy | 12. Fundraising Policy |
| 3. Risk Policy | • Expense Claim Form |
| 4. Investment Policy | • Payment Request Form |
| 5. Related Parties Register | • Declaration of Interests, and Related Party Transactions Form |
| 6. Expenses Policy | • Register of Trustees' Interests |
| 7. Purchasing & Payments Policy | • Risk Register |
| 8. GDPR Policy | |
| 9. Board skills analysis | |
| 10. Policy Review schedule | |

CEO

Tarquin Hall has been ISF's CEO since 1 January 2020, initially on a two-year contract.

As reported in the last annual report, 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 CEO oversees and liaises with the project management committee on the projects they have been assigned; and communicates and reports regularly with the board, taking part in the board meetings as appropriate.

The board would like to take the opportunity to record their thanks to the CEO for all his excellent work in progressing the development of ISF and establishing a significantly firmer foundation for its future, in what has been a very challenging year.

Project management committee

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 have been 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.

THE IDRIES SHAH FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2021

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: 28th Jan. 2022



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 2021, which are set out on pages 18 to 36.

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 2021 includes payments to related parties and their associates. During the course of my examination, I have not received sufficient information to evidence that these payments were made under normal market conditions. In addition, I have concerns that the charity's controls and procedures during this period were not sufficient to identify all potential related party transactions.

During the year direct public fundraising was undertaken for a specific project by a representative of the charity without the knowledge of the Trustees. The related project was not formally approved by the Board and will not proceed. Amounts received are included within donations within these accounts. The exact amount received has not been quantified, but is understood to be in the region of £12,000.

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 during the period 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 lacks adequate policies procedures, including those to manage potential or actual conflicts of interest. During the course of my work, I identified potential conflicts with a number of parties, including suppliers and Trustees. I have not received sufficient evidence to ascertain whether 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
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

28th January.....2022

THE IDRIES SHAH FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
Income from:-					
Donations and legacies	2	108,886	-	108,886	175,290
Charitable activities	3	20,643	19,456	40,099	21,545
Investments	4	11,451	-	11,451	34,688
Total income		140,980	19,456	160,436	231,523
Expenditure on:-					
Raising funds	5	60,969	-	60,969	67,699
Charitable activities	6	459,171	12,176	471,347	615,879
Total expenditure		520,140	12,176	532,316	683,578
Net gains/(losses) on investments	11	74,023	-	74,023	(147,451)
Net (expenditure)/income		(305,137)	7,280	(297,857)	(599,506)
Transfers between funds		-	-	-	-
Net movement in funds		(305,137)	7,280	(297,857)	(599,506)
Fund balances at 1 April		1,764,172	6,944	1,771,116	2,370,622
Fund balances at 31 March		1,459,035	14,224	1,473,259	1,771,116

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 20 to 36 form part of these financial statements.

THE IDRIES SHAH FOUNDATION
BALANCE SHEET AS AT 31 MARCH 2021
COMPANY REGISTRATION NUMBER: 08193475

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	13		6,315		7,081
Tangible assets	14		6,214		7,499
Investment properties	15		500,000		468,000
Fixed asset investments	16		423,007		372,167
			<hr/>		<hr/>
			935,536		854,747
Current assets					
Stock		56,527		40,056	
Debtors	17	3,254		6,280	
Cash at bank and in hand		549,886		911,349	
		<hr/>		<hr/>	
		609,667		957,685	
Creditors: amounts falling due within one year	18	(71,944)		(41,316)	
Net current assets			537,723		916,369
			<hr/>		<hr/>
			1,473,259		1,771,116
			<hr/>		<hr/>
The funds of the charity					
Restricted funds	20		14,224		6,944
Unrestricted funds	20		1,459,035		1,764,172
			<hr/>		<hr/>
			1,473,259		1,771,116
			<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 2021.

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 2021 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 28th January 2022.


Richard Mohun
Trustee

The notes on pages 20 to 36 form part of these financial statements.

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021

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 2021

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 2021 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 changed 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.

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Donations and gifts	108,886	-	108,886	105,375	69,915	175,290
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

3. Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Sales of books	20,643	19,456	40,099	14,292	7,253	21,545
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4. Investments

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Income from listed investments	10,113	-	10,113	10,795	-	10,795
Property income	1,338	-	1,338	23,893	-	23,893
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	11,451	-	11,451	34,688	-	34,688
	<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 2021

5. Raising funds

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Fundraising and publicity						
Staging fundraising events	-	-	-	5,892	-	5,892
Advertising and promotion	25,916	-	25,916	16,132	-	16,132
Investment management fees	1,296	-	1,296	932	-	932
	<u>27,212</u>	<u>-</u>	<u>27,212</u>	<u>22,956</u>	<u>-</u>	<u>22,956</u>
Cost of maintaining investment properties						
Investment property overheads	10,272	-	10,272	33,712	-	33,712
Depreciation and impairment	766	-	766	941	-	941
Support governance costs (Note 7)	22,719	-	22,719	10,090	-	10,090
	<u>33,757</u>	<u>-</u>	<u>33,757</u>	<u>44,743</u>	<u>-</u>	<u>44,743</u>
Total	<u>60,969</u>	<u>-</u>	<u>60,969</u>	<u>67,699</u>	<u>-</u>	<u>67,699</u>

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021	Total 2020
	£	£	£	£	£	£
Opening stock	-	-	40,056	-	40,056	-
Translation, editing design, production & publishing	-	10,245	100,799	-	111,044	136,673
Social media costs	39,363	-	-	-	39,363	42,847
Distribution	-	-	18,860	-	18,860	25,080
Design	-	-	10,963	-	10,963	30,367
Project management costs	-	31,575	71,446	-	103,021	145,448
Grants	-	-	-	-	-	569
Study courses	-	-	-	5,300	5,300	4,500
Visibility awards	-	-	-	1,709	1,709	19,259
UNESCO story competition	-	-	-	2,444	2,444	92,619
Web design and maintenance	15,784	-	-	-	15,784	29,776
Royalties	-	-	3,620	-	3,620	-
Closing stock	-	-	(56,527)	-	(56,527)	(40,056)
	<u>55,147</u>	<u>41,820</u>	<u>189,217</u>	<u>9,453</u>	<u>295,637</u>	<u>487,082</u>
Share of support costs (Note 7)	6,445	4,888	22,114	1,105	34,552	84,336
Share of governance costs (Note 7)	26,331	19,968	90,346	4,513	141,158	44,461
	<u>87,923</u>	<u>66,676</u>	<u>301,677</u>	<u>15,071</u>	<u>471,347</u>	<u>615,879</u>

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021 £	Total 2020 £
Analysis by fund for the year ended 31 March 2021						
Unrestricted fund – general	85,423	66,676	267,181	8,262	427,542	517,290
Designated– ISF Visibility	2,500	-	22,320	6,809	31,629	15,750
Restricted funds	-	-	12,176	-	12,176	82,839
	<u>87,923</u>	<u>66,676</u>	<u>301,677</u>	<u>15,071</u>	<u>471,347</u>	<u>615,879</u>
For the year ended 31 March 2020						
Unrestricted funds- general	90,367	64,662	224,990	137,271		517,290
Designated – ISF Visibility	-	3,000	4,500	8,250		15,750
Restricted funds	-	13,124	69,715	-		82,839
	<u>90,367</u>	<u>80,786</u>	<u>299,205</u>	<u>145,521</u>		<u>615,879</u>

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7. Support costs

	Support costs	Governance costs	2021	2020	Basis of allocation
	£	£	£	£	
Amortisation	766	-	766	574	Resources expended
Depreciation	1,473	-	1,473	313	Resources expended
Bank charges	3,017	-	3,017	3,797	Resources expended
Exchange differences	506	-	506	9,613	Resources expended
General office costs	6,937	-	6,937	2,766	Resources expended
Insurance	1,013	-	1,013	810	Resources expended
Irrecoverable VAT	15,255	-	15,255	14,019	Resources expended
Travel and subsistence	101	-	101	10,556	Resources expended
Licence fees	-	-	-	36,465	Resources expended
Rent	9,480	-	9,480	2,370	Resources expended
Repairs and maintenance	471	-	471	1,725	Resources expended
Accountancy	-	16,570	16,570	15,710	Governance
Other professional services	-	72,259	72,259	23,735	Governance
Trustee expenses	-	-	-	184	Governance
Staff costs	-	70,581	70,581	16,250	Governance
	<u>39,019</u>	<u>159,410</u>	<u>198,429</u>	<u>138,887</u>	
Analysed between					
Raising funds	4,467	18,252	22,719	10,090	
Charitable activities	34,552	141,158	175,710	128,797	
	<u>39,019</u>	<u>159,410</u>	<u>198,429</u>	<u>138,887</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.

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 has been replaced by a new agreement where a royalty is charged on books sold or donated. These royalties are directly allocated to 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.

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

8. Independent Examination Remuneration

	2021 £	2020 £
Independent Examination Remuneration - Predecessor Firm		
Accountancy services	-	7,900
Bookkeeping	-	8,600
Independent Examination Remuneration		
Independent examination fee	7,874	2,500
Accountancy services	8,156	5,310
Bookkeeping	7,385	2,190
Governance	7,976	-
	<hr/>	<hr/>
	31,391	26,500
	<hr/>	<hr/>

9. Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year (2020: none).

None (2020: one) of the Trustees were reimbursed a total of £nil (2020: £184) relating to travel costs to Trustee meetings during the year.

No donations were received from the Trustees during the year (2020: none).

10. Wages and Salaries

	2021 £	2020 £
Gross wages	65,000	16,250
Employers National Insurance	3,757	-
Pension	1,824	-
	<hr/>	<hr/>
	70,581	16,250
	<hr/>	<hr/>

One (2020: none) employee was paid over £60,000.

The average monthly number of employees during the year was 1 (2020: 0.25).

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 £70,581 (2020: £16,250).

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

11. Net gains/(losses) on investments

	2021	2020
	£	£
Revaluation of stock market investments	42,023	(3,639)
Revaluation of investment properties	32,000	(122,000)
(Loss) on sale of investment property	-	(21,812)
	<hr/>	<hr/>
	74,023	(147,451)
	<hr/>	<hr/>

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 2020	7,655	7,655
Additions	-	-
	<hr/>	<hr/>
At 31 March 2021	7,655	7,655
	<hr/>	<hr/>
Amortisation		
At 1 April 2020	574	574
Amortisation charged in the year	766	766
	<hr/>	<hr/>
At 31 March 2021	1,340	1,340
	<hr/>	<hr/>
Carrying amount		
At 31 March 2021	6,315	6,315
	<hr/>	<hr/>
At 31 March 2020	7,081	7,081
	<hr/>	<hr/>

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

14. Tangible fixed assets	Fixtures Fittings & Equipment £	Computers £	Total £
Cost			
At 1 April 2020	19,149	5,417	24,566
Additions	-	1,084	1,084
Disposals	(130)	-	(130)
	<hr/>	<hr/>	<hr/>
At 31 March 2021	19,019	6,501	25,520
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2020	16,465	602	17,067
Depreciation charged in the year	766	1,473	2,239
	<hr/>	<hr/>	<hr/>
At 31 March 2021	17,231	2,075	19,306
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 March 2021	1,788	4,426	6,214
	<hr/>	<hr/>	<hr/>
At 31 March 2020	2,684	4,815	7,499
	<hr/>	<hr/>	<hr/>

15. Investment property	£
Fair value	
At 1 April 2020	468,000
Revaluation	32,000
	<hr/>
At 31 March 2021	500,000
	<hr/>

The fair value of the investment properties is based on a review carried out by the Trustees and the Chief Executive. 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:-

	2021 £	2020 £
Cost	550,512	550,512
	<hr/>	<hr/>
	550,512	550,512
	<hr/>	<hr/>

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

16. Fixed assets investments

	2021	2020
	£	£
Listed investments	348,389	306,366
Cash or cash equivalents	74,618	65,801
	<hr/>	<hr/>
	423,007	372,167
	<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 2021	Total 2020
	£	£
Market value at 1 April	306,366	310,006
Net gain/(loss) on revaluation	42,023	(3,640)
	<hr/>	<hr/>
Market value 31 March	348,389	306,366
Cash held in investment portfolio	74,618	65,801
	<hr/>	<hr/>
	423,007	372,167
	<hr/>	<hr/>

17. Debtors

	2021	2020
	£	£
Prepayments and accrued income	1,140	4,852
VAT	2,114	1,428
	<hr/>	<hr/>
	3,254	6,280
	<hr/>	<hr/>

18. Creditors: amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	10,767	2,064
Other creditors	29,842	24,252
Accruals	31,335	15,000
	<hr/>	<hr/>
	71,944	41,316
	<hr/>	<hr/>

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

19. Grants and donations

	Grants to Institutions	Grants to Individuals	2021	2020
	£	£	£	£
UNESCO Project	-	-	-	78,883
Books for Afghanistan	-	-	-	569
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	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 Books for Afghan Children Project (formerly The Children's Books for Afghanistan Project) looks to provide illustrated books to Afghan children. 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 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.

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

20. Statement of funds – (continued)

	Balance at 1 April 2020	Income	Expenditure	Gain/ (Loss) on Investments	Transfers	Balance March 2021
	£	£	£	£	£	£
Unrestricted funds						
General fund	1,720,486	140,980	488,511	74,023	-	1,446,978
Designated						
ISF General Visibility Fund	43,686	-	31,629	-	-	12,057
Total Unrestricted funds	1,764,172	140,980	520,140	74,023	-	1,459,035
Restricted funds						
Books for Afghan Children Project	-	19,456	12,176	-	2,874	10,154
The Limited and Special Editions Project	2,874	-	-	-	(2,874)	-
The Chinese Language Project	4,070	-	-	-	-	4,070
Total Restricted funds	6,944	19,456	12,176	-	-	14,224
Total Funds	1,771,116	160,436	532,316	74,023	-	1,473,259

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

20. Statement of funds – (continued)

Prior Period statement of funds

	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	-	-	-
The 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

21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2021 are represented by:-			
Intangible assets	6,315	-	6,315
Tangible assets	6,214	-	6,214
Investment properties	500,000	-	500,000
Stock market investments	423,007	-	423,007
Net current assets	523,499	14,224	537,723
	1,459,035	14,224	1,473,259

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

21. Analysis of net assets between funds (continued)

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2020 are represented by:-			
Intangible	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
	<hr/>	<hr/>	<hr/>
	1,764,172	6,944	1,771,116
	<hr/>	<hr/>	<hr/>

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 fees for agreed Royalties and Licences granted by the Estate of £3,869 (2020: £37,470). At the year end a sum of £3,869 (2020: £nil) in respect of Royalties was owed to the estate and is reflected within accruals in Note 18.

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) £92,731 (2020: £128,897). This can be broken down individually as:

	2021 £	2020 £
Tahir Shah	34,150	54,690
Safia Shah	26,075	37,742
Saira Shah	31,225	30,771

In addition Tahir Shah was reimbursed £1,103 (2020 £5,694) for out of pocket expenses.

At the year end the following amounts were owed for their services:

	2021 £	2020 £
Tahir Shah	2,853	178
Safia Shah	2,325	2,750
Saira Shah	4,250	50

THE IDRIES SHAH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

22. Related Party Transactions

Transactions with related parties (continued)

During the year, £4,872 (2020: £27,805) was paid to Secretum Mundi Limited for management fees, a company of which Tahir Shah is the majority shareholder. Tahir Shah was also a director of Secretum Mundi Limited until 4 January 2021.

During the year, £380 was credited from (2020: £1,180 invoiced from) Lexicon Editorial Services for research and editorial fees. The proprietor of Lexicon Editorial Services is a close family member of Tahir Shah. At the year end £Nil (2020: £380) was owed to Lexicon Editorial Services.

During the year consultancy fees of £Nil (2020: £5,250) were paid to the Chief Executive, for services prior to his appointment as Chief Executive.

23. Operating leases

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

	2021	2020
	£	£
Operating leases	9,480	790

24. Commitments

At 31 March 2021 the Charity had total commitments under non-cancellable operating leases expiring as follows:-

	Land and Buildings	
	2021	2020
	£	£
Less than one year	7,470	9,600
Between two and five years	-	7,110
	<hr/>	<hr/>
	7,470	16,710
	<hr/>	<hr/>