

**Maktab Tarighat Oveyssi Shahmaghsoudi (School Of Islamic Sufism)**

**Annual report and unaudited financial statements**

**For the year ended 31 December 2020**



**55 Loudoun Road  
St John's Wood  
London NW8 0DL**

# MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	H Rahbari
	E B Darban
	A Rezaei
<b>Charity number</b>	1010542
<b>Independent examiner</b>	MGR Weston Kay LLP
	55 Loudoun Road
	St John's Wood
	London
	NW8 0DL
<b>Solicitors</b>	Russell - Cooke Solicitors
	8 Bedford Row
	London
	WC1R 4BX

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# MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

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# **MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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The trustees present their report and the accounts for the year ended 31 December 2020.

#### **Name and Registered Office of the Charity**

The full name of the Charity is Maktab Tarighat Oveyssi Shahmaghsoudi (School of Islamic Sufism), its registered office and principal operating address is 23 Edison Road, Crouch End, London, N8 8AE. It is part of the global organisation with the same name (the global organisation hereinafter referred to as 'MTO').

#### **Charity Financial Statements**

In preparing the financial statements for the Charity, the Trustees have adopted the disclosures required by the "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The financial statements comply with the trust deeds and the Charities Act 2011.

#### **Objectives and activities**

The objects are to establish the teaching and advancement of religion and education in the United Kingdom and elsewhere around the world in accordance with the tenets and doctrines of Sufism as practiced by MTO.

During the year the Charity continued to promote Sufism and education as a part of MTO. Its program of lectures and classes in the UK included webcasts from London to students throughout the world. These compliment the broadcasts of related MTO centres elsewhere in Europe and from the United States. The Charity continued to encourage the development of Sufism at Universities and other educational institutions in the UK and to promote inter-faith activities in local communities.

#### **Achievements and performance**

The Charity is progressing with the transfer of its assets and operations to the Charitable Incorporated Organisation ('CIO'), registered charity 1156782 with the same name and objects as the Charity. Any on-going donations or receipts are vested to the CIO accounts as part of the transfer policy.

The main remaining assets of the Charity are the commercial premises near the London Centre bought in October 2012. They were leased for 5 years from 20 March 2015 to a nursery. Following approval from the freeholders, in 2020 a new lease was signed by the subtenants and Trustees.

Based on legal advice at the time, the Trustees issued a claim against the original solicitor who acted in the purchase of the commercial premises. The claim was issued in 2018 with the relevant fee paid by the Trust. However, in February 2019, the new solicitors informed Trustees that there was a potential issue with the limitation of the new claim. Trustees sought legal advice, and pursued with Directions questionnaires. Following exchange of documents and correspondence with the other side, both parties asked the court for a consent order to agree mediation. Due to covid 19, the mediation was postponed. The first case was settled in August 2020. A second claim against the new solicitors and advising counsel has been brought.

#### **Financial review**

As detailed in the Statement of Financial Activities on page 6, the Charity's reserves at the year-end amounted to £869,106 of unrestricted funds. The Trust will hold these reserves and further funds as they are received as a buffer for operating costs. In addition they are available to help support other centres abroad or fund additional properties in the UK for holding meetings and lectures as required.

#### **Structure, governance and management**

The Charity, a Charitable Trust, was registered as a Charity on 14th April 1992. Registration number: 1010542. The governing document is the Deed of Trust dated 18 October 1991 as amended by supplemental deeds dated 9 March 2006, 15 June 2006, 2 January 2009 and 9 April 2009.

# MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **Trustees**

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

H Rahbari

E B Darban

A Rezaei

None of the Trustees have been direct beneficiaries of the Charity during the year or the preceding year. No Trustees received any remuneration from the Charity during the year (2019 – £Nil) .

A Trustee is appointed by recommendation of the Trustees, or by proposal of a Trustee entitled to vote at a meeting of the Charity.

#### **Induction and training policies for trustees**

The Charity follows the guidelines provided by the Charity Commission.

#### **Responsibility of the Trustees**

The Trustees are responsible for the management of the Charity and for the furtherance of the objects for which it is established. Trustees meet on a regular basis to discuss the affairs of the Charity. The Statement of Trustees' Responsibilities is on Page 4.

#### **Investment Powers**

The Trustees may invest the monies of the Charity not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.

#### **Public Benefit Requirement**

The Trustees have due regard to the guidance set out under section 17(5) of the Charities Act 2011.

#### **Organisation**

The day-to-day activities of the Charity continue to be conducted from premises in London and Birtley and at rented premises in other cities in the United Kingdom.

#### **Volunteers**

During the year various individuals gave their time in supporting the Charity's activities. The value of this substantial support cannot be readily quantified and has not been included in the financial statements.

#### **Risk Management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems are in place to mitigate the Charity's exposure to the major risks.

# MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### Independent examiner

A resolution to re-appoint Nigel Walfisz as Independent Examiner will be proposed at the next Annual General Meeting.

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

HR

**H Rahbari**

Trustee

Dated: 28 October 2021

# **MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

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I report on the financial statements of the charity for the year ended 31 December 2020, which are set out on pages 6 to 13.

#### Respective responsibilities of trustees and examiner

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

It is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

#### Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

#### Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 130 of the 2011 Act; and
  - (ii) to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the 2011 Act;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

**Nigel Walfisz FCA**

55 Loudoun Road  
St John's Wood  
London  
NW8 0DL

Dated: 29 October 2021



# MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

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

	Notes	2020 £	2019 £
<b><u>Incoming Resources</u></b>			
Investments	3	50,680	58,765
Other incoming resources	4	49,000	-
		<hr/>	<hr/>
<b>Total incoming resources</b>		99,680	58,765
		<hr/>	<hr/>
<b><u>Resources Expended</u></b>			
Raising funds	5	4,970	5,731
		<hr/>	<hr/>
Charitable activities	6	6,210	5,760
		<hr/>	<hr/>
Other expenditure	10	-	51,753
		<hr/>	<hr/>
<b>Total resources expended</b>		11,180	63,244
		<hr/>	<hr/>
Net gains /(losses) on investments		-	(35,000)
		<hr/>	<hr/>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		88,500	(39,479)
		<hr/>	<hr/>
Fund balances at 1 January 2020		780,606	820,085
		<hr/>	<hr/>
<b>Fund balances at 31 December 2020</b>		869,106	780,606
		<hr/> <hr/>	<hr/> <hr/>

All activities relate to continuing operations.

There is no difference between the income / (expenditure) on ordinary activities for the year stated above and its historical cost equivalent.

Investment income is from commercial property and bank interest and arises in the United Kingdom.

The notes on pages 7 to 13 form part of these financial statements.

# MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Investment properties	11		740,000		740,000
<b>Current assets</b>					
Debtors	12	4,156		8,847	
Cash at bank and in hand		132,543		36,118	
		136,699		44,965	
<b>Creditors: amounts falling due within one year</b>	13	(7,593)		(4,359)	
Net current assets			129,106		40,606
<b>Total assets less current liabilities</b>			869,106		780,606
<b>Income funds</b>					
Unrestricted funds			869,106		780,606
			869,106		780,606

The accounts were approved by the Trustees on 28 October 2021

H.R

H Rahbari  
Trustee

The notes on pages 7 to 13 form part of these financial statements.

# MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **1 Accounting policies**

##### **1.1 Accounting convention**

The accounts have been prepared in accordance with applicable accounting standards, "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" and the Charities Act 2011. The charity is a Public Benefit Entity defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.3 Charitable funds**

General unrestricted funds represent unrestricted income which is expendable at the discretion of the Trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance working capital.

Restricted funds represent income received which are allocated by the donor for specific purposes which are therefore not available for other purposes.

##### **1.4 Incoming resources**

Donations are accounted for on a cash receivable basis.

Rent receivable is accrued on a day to day basis.

Interest receivable is accounted for at the date it is declared.

Other income is accounted for on a cash received basis.

##### **1.5 Resources expended**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

Charitable activities include costs of services and support costs.

Governance costs are those costs incurred in the management of the charity's assets, organisational administration, and compliance with constitutional and statutory requirements.

Cost of raising funds are those associated with rental and investment income.

Other expenditure includes transfers to MTO CIO.

# MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

##### 1.6 Investment properties

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Investment properties are included in the balance sheet at their open market value as estimated by the trustees. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

##### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.8 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

##### 1.9 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

##### 1.10 Taxation

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

The charity is not VAT registered. As such, expenditure is shown inclusive of VAT.

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### Valuation of investment properties

As described in note 11 to the financial statements, investment properties are stated at fair value. The trustees based this on observable market prices.

# MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 3 Investments

	2020 £	2019 £
Rental income	50,680	58,765
	<u>          </u>	<u>          </u>

### 4 Other incoming resources

	2020 £	2019 £
Settlement income	49,000	-
	<u>          </u>	<u>          </u>

### 5 Raising funds

	2020 £	2019 £
Investment property costs	4,970	5,731
	<u>          </u>	<u>          </u>
	4,970	5,731
	<u>          </u>	<u>          </u>

### 6 Charitable activities

	2020 £	2019 £
Legal and professional fees	2,730	2,280
Share of governance costs (see note 7)	3,480	3,480
	<u>          </u>	<u>          </u>
	6,210	5,760
	<u>          </u>	<u>          </u>

# MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 7 Support costs

	Support costs	Governance costs	2020	2019
	£	£	£	£
Independent examiner fees	-	3,480	3,480	3,480
	<u>-</u>	<u>3,480</u>	<u>3,480</u>	<u>3,480</u>
	<u>-</u>	<u>3,480</u>	<u>3,480</u>	<u>3,480</u>

Governance costs represents the support costs incurred in administering, the management of charity affairs and complying with its statutory and constitutional obligations.

#### 8 Trustees

The average number of Trustees during the year was 3 (2019: 3).

No Trustee or person connected by business to them, has received any remuneration or benefits in kind from the Charity during the year (2019 - £Nil).

The Trustees are named as Additional Assureds under the liability insurances of the Charity at no additional cost.

During the year no Trustees (2019: none) received reimbursement of travel, subsistence and other expenditure.

#### 9 Employees

There were no employees during the year.

#### 10 Other expenditure

	2020	2019
	£	£
Transfers to MTO CIO	-	51,753
	<u>-</u>	<u>51,753</u>
	<u>-</u>	<u>51,753</u>

#### 11 Investment properties

	2020
	£
<b>Fair value</b>	
At 1 January 2020 and 31 December 2020	740,000
	<u>740,000</u>

The investment properties are stated in the accounts at the Trustees' estimate of market value at the balance sheet date. There has been no valuation by an independent party.

# MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 12 Debtors

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	4,156	4,601
Other debtors	-	3,076
Prepayments and accrued income	-	1,170
	<u>4,156</u>	<u>8,847</u>
	<u><u>4,156</u></u>	<u><u>8,847</u></u>

#### 13 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	313	879
Accruals and deferred income	7,280	3,480
	<u>7,593</u>	<u>4,359</u>
	<u><u>7,593</u></u>	<u><u>4,359</u></u>

#### 14 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 December 2020 are represented by:			
Investment properties	740,000	-	740,000
Current assets/(liabilities)	40,606	-	40,606
	<u>780,606</u>	<u>-</u>	<u>780,606</u>
	<u><u>780,606</u></u>	<u><u>-</u></u>	<u><u>780,606</u></u>

# MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 15 Related party transactions

The charity made donations or loans, shared costs with or received income from other charities which form part of the global organisation using the name MTO.

Creditors include £313 (2019: £313) due to MTO USA.

Charitable expenditure includes £Nil (2019: £51,753) being the value of the assets transferred to MTO CIO, a related party charity, as the activities of the Trust transition to the CIO.

#### 16 Charity information

Maktab Tarighat Oveyssi Sharmaghsoodi (School of Islamic Sufism) is a charity incorporated in England and Wales. The principal place of business is 23 Edison Road, Crouch End, London, N8 8AE.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.