

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

Trustees

A Rezaei
E Arjmandi
H Rahbari

Charity number

1156782

Independent examiner

MGR Weston Kay LLP
55 Loudoun Road
St John's Wood
London
NW8 0DL

Bankers

Yorkshire Bank
154 - 158 Kensington High Street
London
W8 7RL

Co - Operative Bank
195 High Road
Wood Green
London
N22 6DP

Solicitors

Russell - Cooke Solicitors
8 Bedford Row
London
WC1R 4BX

Cree Godfrey and Wood Solicitors
28 High Road
East Finchley
London
N2 9PJ

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

The trustees present their report and 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, practice and advancement of the Islamic 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.

Achievements and performance

The Charity was formed to take over the activities of the registered Charitable Trust 1010542 which has the same objects and name as this Charitable Incorporated Organisation. The transfer of operations which started at the end of 2014 has continued with only a few remaining with the Trust.

The CIO is continuing the work of the Trust in promoting Sufism and education as a part of MTO. This involves a programme of lectures and classes in the UK including the ability to host 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 will encourage the development of Sufism at Universities and other educational institutions in the UK and to promote inter-faith activities in local communities.

Weekly lectures were cancelled in February 2020 ahead of national lockdowns and in preparation for underpinning works. Following approval from the local council, lectures in the London centre have resumed in person with limited numbers, social distancing and mask wearing as of October 2021.

Following the ground movement monitoring of the building in London, a project management firm was appointed to oversee the necessary remedial works. Tender documents were prepared based on design drawings and 3 contractors were sent an invitation to Tender. With further mid and post tender meetings held with the project manager, construction company, structural engineers and Trustees. Following the various preparatory work, building repairs commenced on 18th May 2020 and were completed in November 2020.

The Charity took part in several charitable projects in line with the wider MTO Global covid-19 response. This included the making and distribution of PPEs to hospitals, care homes and schools in the UK as well as donations of non perishable foods and clothing. The Charity was also involved with the Caring for our Caregivers initiative and donated tablets preloaded with Tamarkoz® meditation exercises to hospitals to provide stress relief.

The Charity managed and launched the Zendeh Delan music project for 2020, producing a CD box set and vinyl with 63 tracks to accompany the practice of Tamarkoz® and Movazeneh®.

As part of a volume of books on the chronology of the MTO Sufi Masters (Aghtab) The Charity facilitated the publication and distribution of Aghtab 12 (on the life of Hazrat Shahmaghsoud).

MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

As detailed in the Statement of Financial Activities on page 6, the Charity's reserves at the year-end amounted to £2,628,876 of unrestricted funds and £169,853 of restricted funds. The CIO 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 Incorporated Organisation, was registered as a Charity on 28th April 2014. Registration number: 1156782. The Constitution is a CIO Foundation and was created by a Deed executed on the 27th February 2014.

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

E B Darban (Resigned 5 January 2021)

A Rezaei

E Arjmandi

H Rahbari (Appointed 5 January 2021)

A trustee is appointed by recommendation of the Trustees, or by a 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 objects are to establish the teaching, practice and advancement of the Islamic 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.

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

Volunteers

During the period various individuals gave their time in supporting the Charity's activities. The value of this 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 SHAHMAGHSUDI (SCHOOL OF ISLAMIC SUFISM)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

E.A.

E Arjmandi

Trustee

Dated: 29 October 2021

MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

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)

I report on the financial statements of the charity for the year ended 31 December 2020, which are set out on pages 6 to 17.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011, (the Charities Act), and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under the Charities Act and is eligible for independent examination, 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

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Notes							
Income and endowments from:							
Donations and legacies	3	195,162	10,004	205,166	357,274	13,632	370,906
Charitable activities	4	24,873	-	24,873	1,902	-	1,902
Investments	5	68,976	-	68,976	44,485	-	44,485
Other incoming resources	6	18,980	-	18,980	31,734	-	31,734
Total income		307,991	10,004	317,995	435,395	13,632	449,027
Expenditure on:							
Cost of raising funds	7	13,207	-	13,207	4,836	-	4,836
Charitable activities	8	137,323	-	137,323	456,776	-	456,776
Total resources expended		150,530	-	150,530	461,612	-	461,612
Net gains/(losses) on investments	13	(76,628)	-	(76,628)	(25,000)	-	(25,000)
Net income/(expenditure) for the year/ Net movement in funds		80,833	10,004	90,837	(51,217)	13,632	(37,585)
Fund balances at 1 January 2020		2,548,043	159,849	2,707,892	2,599,260	146,217	2,745,477
Fund balances at 31 December 2020		2,628,876	169,853	2,798,729	2,548,043	159,849	2,707,892

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 all from cash, investment and commercial property and arises in the United Kingdom.

The notes on pages 8 to 17 form part of these financial statements.

MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	14	833,579		581,271	
Heritage assets	15	21,824		21,824	
Investment properties	16	985,000		1,061,628	
		<u>1,840,403</u>		<u>1,664,723</u>	
Current assets					
Debtors	17	23,053		13,339	
Cash at bank and in hand		985,472		1,070,672	
		<u>1,008,525</u>		<u>1,084,011</u>	
Creditors: amounts falling due within one year	18	(50,199)		(40,842)	
Net current assets		<u>958,326</u>		<u>1,043,169</u>	
Total assets less current liabilities		<u>2,798,729</u>		<u>2,707,892</u>	
Income funds					
Restricted funds	19	169,853		159,849	
Unrestricted funds		2,628,876		2,548,043	
		<u>2,798,729</u>		<u>2,707,892</u>	

The accounts were approved by the Trustees on 29 October 2021


E Arjmandi
Trustee

The notes on pages 8 to 17 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

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 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 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.

Gifts in kind are accounted for in accordance with the contract.

Rent receivable is accrued for on a day to day basis.

Income from listed investments is accounted for at the date it is declared.

Interest income is accounted for on an accruals basis.

Income from charitable activities is recognised when conditions of receipt have been met and there is reasonable assurance of receipt.

Other incoming resources are accounted for when conditions for receipt have been met and there is reasonable assurance of receipt.

MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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

Charitable activities include costs of services and support costs and depreciation on related assets.

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

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

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:

Freehold land and buildings	2% straight line
Plant and equipment	25% reducing balance
Fixtures and fittings	25% reducing balance
Land	Held at cost

1.7 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured using the fair value model and stated at their estimated fair values as the reporting end date as determined by the Trustees. There is no depreciation charged on investment properties. The surplus or deficit on revaluation is recognised in the statement of financial activities.

1.8 Heritage assets

The nature of heritage assets held by the charity are artwork and statues. Heritage assets are measured initially at either their cost or valuation if the heritage asset has been donated unless this information is not available and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts. Heritage assets are not revalued.

1.9 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.

1.10 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.

MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.11 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 the expenditure is shown inclusive of VAT.

1.12 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.

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 17 to the financial statements, investment properties are stated at fair value. The trustees used observable market prices.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Donations	195,162	10,004	205,166	370,906
	=====	=====	=====	=====
For the year ended 31 December 2019	357,274	13,632		370,906
	=====	=====		=====

MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Charitable activities

	2020 £	2019 £
Books and publications	3,623	1,902
Merchandise	21,250	-
	<u>24,873</u>	<u>1,902</u>

5 Investments

	2020 £	2019 £
Rental income	67,120	37,900
Income from listed investments	-	1,007
Interest receivable	1,856	5,578
	<u>68,976</u>	<u>44,485</u>

6 Other incoming resources

	2020 £	2019 £
Gift aid	18,980	31,734

7 Cost of raising funds

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Investment Property costs	13,207	4,836
	<u>13,207</u>	<u>4,836</u>

MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Charitable activities

	2020 £	2019 £
Insurance	6,096	7,572
Bank service charge	50	132
Advertising	819	544
Rent	32,981	34,638
Food, services and flowers	-	1,275
Mail, postage and stationery	21,165	304
Legal and professional fees	8,648	10,208
Repairs and maintenance	6,840	908
General expenses	2,821	3,461
Depreciation	16,824	12,200
Telephone and internet	24,631	18,761
Utilities	5,906	6,371
Travel and accommodation	-	2,283
Security	2,412	869
Museum project costs	3,930	154,405
Exchange gains	-	(15,289)
	<u>133,123</u>	<u>238,642</u>
Share of governance costs (see note 9)	4,200	4,200
	<u>137,323</u>	<u>456,776</u>
Analysis by fund		
Unrestricted funds	<u>137,323</u>	
	<u>137,323</u>	
For the year ended 31 December 2019		
Unrestricted funds		<u>456,776</u>
		<u>456,776</u>

MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Support costs

	Support costs	Governance costs	2020	2019
	£	£	£	£
Independent examiner fees	-	4,200	4,200	4,200
	<u>-</u>	<u>4,200</u>	<u>4,200</u>	<u>4,200</u>
	<u>-</u>	<u>4,200</u>	<u>4,200</u>	<u>4,200</u>

10 Independent examiner fee

The analysis of independent examiner remuneration is as follows:

	£	£
Independent examination	4,200	4,200
	<u>4,200</u>	<u>4,200</u>
Non-audit services		
All other non- independent examination services	-	594
	<u>-</u>	<u>594</u>

11 Trustees

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

No Trustee, or person related or connected by business to them, received any remuneration or benefits in kind from the Charity during the year.

The Trustees & Speakers costs of (a) travelling to and from the meetings and teachings held at various locations on a weekly basis and any overnight accommodation and (b) ancillary costs such as mobile telephone charges that are necessary for the Charity are met by the Charity.

12 Employees

There were no employees during the year.

13 Net gains/(losses) on investments

	2020	2019
	£	£
Revaluation of investment properties	(76,628)	(25,000)
	<u>(76,628)</u>	<u>(25,000)</u>

MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 January 2020	614,806	15,765	32,909	663,480
Additions	267,734	-	1,398	269,132
At 31 December 2020	882,540	15,765	34,307	932,612
Depreciation and impairment				
At 1 January 2020	45,149	12,027	25,033	82,209
Depreciation charged in the year	13,651	935	2,238	16,824
At 31 December 2020	58,800	12,962	27,271	99,033
Carrying amount				
At 31 December 2020	823,740	2,803	7,036	833,579
At 31 December 2019	569,657	3,738	7,876	581,271

15 Heritage assets

	Artwork £
At 1 January 2020 and at 31 December 2020	21,824

16 Investment property

	2020 £
Fair value	
At 1 January 2020	1,061,628
Net gains or losses through fair value adjustments	(76,628)
At 31 December 2020	985,000

The investment property 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

17 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	161	284
Other debtors	9,736	5,773
Prepayments and accrued income	13,156	7,282
	<u>23,053</u>	<u>13,339</u>

18 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	4,707	16,744
Other creditors	19,611	19,611
Accruals and deferred income	25,881	4,487
	<u>50,199</u>	<u>40,842</u>

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2020	Movement in funds		Balance at 31 December 2020
	£	Incoming resources	Resources expended	£
Sadagheh	159,849	10,004	-	169,853
	<u>159,849</u>	<u>10,004</u>	<u>-</u>	<u>169,853</u>

Sufficient funds are held in an appropriate form to enable each fund to be applied in accordance with the restrictions imposed. The restricted funds were established as the result of directions given by donors which specified that the money was to be used for a specific purpose.

MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2020 are represented by:			
Tangible assets	833,579	-	833,579
Heritage assets	21,824	-	21,824
Investment properties	985,000	-	985,000
Current assets/(liabilities)	788,473	169,853	958,326
	<u>2,628,876</u>	<u>169,853</u>	<u>2,798,729</u>

MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI (SCHOOL OF ISLAMIC SUFISM)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	25,133 <u> </u>	29,012 <u> </u>

Lease payments of £32,981 (2019: £34,638) have been recognised as an expense in the year.

22 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:

Incoming resources includes £Nil (2019 - £51,753) Gifts in Kind from MTO Trust, a related party charity.

Charitable activities includes £Nil (2019 - £368,339) of support costs for the Museum project.

Creditors includes £19,611 (2019 - £19,611) being the Sterling Equivalent of Euro Loans due to/ from MTO Germany.

Charitable activities costs includes £19,600 (2019 - £14,725) being the UK share of the cost of providing the global website supplied by MTO Germany, a related party charity.

Rental income includes £20,000 (2019 - £20,000) of rent received from MTO College. Last year, MTO College, had the use of part of the premises in London and was in addition included on the insurance policies.

23 Charity information

Maktab Tarighat Oveyssi Sharmaghsoodi (School of Islamic Sufism) is a charitable incorporated organisation 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 £.