THE INSTITUTE OF ISMAILI STUDIES

England & Wales · Charity number 1179135

Details

Other names	IIS
Status	Registered
Legal form	Charitable company
Company number	01324858
Registered	2018-07-10
Register	View on the Charity Commission register

Contact

Address	The Institute Of Ismaili Studies 10 Handyside Street London N1C 4DN
Phone	02077562700
Email	info@iis.ac.uk
Website	www.iis.ac.uk

Activities

Objects: FOR THE PUBLIC BENEFIT, TO ASSIST IN THE ADVANCEMENT OF EDUCATION AND LEARNING OR ANY OTHER EXCLUSIVELY CHARITABLE OBJECT (UNDER THE LAWS OF ENGLAND AND WALES) AND INCLUDING (WITHOUT LIMITING THE GENERALITY OF THE FOREGOING): (1) TO ENCOURAGE, EXTEND, INCREASE, DISSEMINATE AND PROMOTE KNOWLEDGE OF, AND TO PROMOTE, CONDUCT AND SUPPORT RESEARCH (INCLUDING THROUGH THE DISSEMINATION OF THE USEFUL RESULTS OF SUCH RESEARCH) INTO, THE RELIGIOUS, SPIRITUAL AND CULTURAL HERITAGE OF THE SHIA IMAMI ISMAILI TARIQAH OF ISLAM, AND TO CONDUCT AND SUPPORT RESEARCH INTO ANY OTHER RELIGIOUS FAITHS, BELIEFS OR PRACTICES AND TO DISSEMINATE THE USEFUL RESULTS THEREOF; AND (2) TO ESTABLISH, CARRY ON, AND SUPPORT THE EDUCATIONAL INSTITUTION KNOWN BY THE CHARITY'S NAME AND SUCH OTHER EDUCATIONAL INSTITUTIONS AND PROGRAMMES AS THE BOARD OF TRUSTEES SEES FIT

Activities: The objects of the Institute are to assist in the advancement of education and learning. Its aims include to encourage, extend, increase, disseminate and promote knowledge of, and to promote, conduct and support research into the religious, spiritual and cultural heritage of the Shia Imami Ismaili Tariqah of Islam and to conduct and support research of other religious faiths, beliefs or practices.

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Classification

- **How:** Makes Grants To Individuals, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Other Defined Groups, The General Public/mankind

Geography

- Tajikistan
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£19,749,155	£20,441,953	£1,021,382	141
2023-12-31	£18,468,327	£19,473,385	£1,714,180	130
2022-12-31	£18,580,307	£17,592,147	£2,719,238	125
2021-12-31	£15,694,051	£15,638,580	£1,731,078	124
2020-12-31	£14,937,928	£15,256,431	£1,675,607	121

Trustees

Name	Role	Appointed
HABIB MOTANI		2020-12-13
His Highness Prince Rahim Aga Khan		2025-02-18
Karina Govindji		2020-12-13
NAGUIB KHERAJ		2018-07-10

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THE INSTITUTE OF ISMAILI STUDIES

England & Wales - Charity number 1179135

Accounts

The Institute of Ismaili Studies

Trustees' Report and Financial Statements

for the Year Ended 31 December 2024

Company number: 01324858

Registered Charity number: 1179135

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Reference and Administrative Information

Directors and Trustees

The members of the Board of Trustees, who are also Directors for Companies Act purposes, at the date on which the financial statements were approved, the members who served on the Board of Trustees during the financial year and the Committee of the Board of Trustees that members served on during the financial year were as follows:

His Late Highness Prince Karim Aga Khan IV (deceased 4th February 2025)
His Highness Prince Rahim Aga Khan V (appointed 18th February 2025)
Mrs Karina Govindji (a)
Mr Naguib Kheraj, CBE (a)
Mr Habib Motani (a)

(a) Board of Governors Committee

Board of Governors

Professor Ali Asani
Dr Farhad Daftary
Mrs Karina Govindji
Dr Arif Jamal
Dr Nadia Eboo Jamal
Mr Rahim Karim
Mr Alykhan Kassam
Mr Amyn Kassim-Lakha
Professor Tashmin Khamis
Mr Naguib Kheraj, CBE
Dr Sharofat Mamadambarova
Dr Shogufa Mir Malekyar
Mr Habib Motani
Professor Nacim Pak-Shiraz
Professor Farid F. Panjwani

Secretary

Mr Habib Motani

Registered Office

Aga Khan Centre
10 Handyside Street
King's Cross
London, N1C 4DN

Registered Auditors

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London, E1W 1YW

Bankers

Lloyds Bank
113-117 Oxford Street
London W1D 2HW

Company number: 01324858
Registered Charity number: 1179135

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Trustees' Report for the year ended 31 December 2024

The Trustees' Report incorporates the Directors' and Strategic Report for the year ended 31 December 2024.

ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the governing document of The Institute of Ismaili Studies, ("The Institute", "IIS" or "the charity"), the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) 2019 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), and the Companies Act 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

The Trustees have ultimate responsibility for all aspects of the work of The Institute and for its academic, financial and investment policies and strategic direction. In 2024, they delegated the day-to-day management of The Institute to its Director, Professor Zayn Kassam, who operated through her departmental and unit heads. The co-ordination of the work of The Institute was the responsibility of the Director. The Trustees continued to participate in the strategic decision-making processes of The Institute through the Director and the system of committees and sub-committees.

Governing Document

The Institute is a company limited by guarantee and having a share capital and was incorporated on 9 August 1977. It became a registered charity on 10 July 2018. The objects and powers of The Institute were established in its Memorandum of Association, and it is governed by its Articles of Association as amended by special resolution on 2 July 2018.

Key Management Personnel

The charity's Trustees, its committees and sub-committees, the Director and the departmental heads comprise the key management personnel of the charity in charge of directing, controlling and running the charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration for their roles in the year.

The remuneration of key management is determined within a framework approved by the Trustees. The framework seeks to take into consideration various factors, such as inflation, performance and remuneration levels at comparable institutions.

Trustees' Appointment, Induction and Training

As set out in the Articles of Association, the Trustees are appointed and removed by the holder(s) of a simple majority of the issued share capital of The Institute. Arrangements are made to ensure that Trustees are aware of the aims and objectives of the charity, as well as their responsibilities. All the Trustees have acquired an in-depth knowledge of the work of The Institute, including its charitable objectives, and through its annual budget process they monitor The Institute's performance in achieving its charitable objectives. The Trustees were also involved in the approval of The Institute's new strategic plan. Additionally, information published by the Charity Commission for trustees is made available to the Trustees.

On 4 February 2025, The Institute's founder and Chair, His Highness Prince Karim Aga Khan IV, passed away peacefully at his residence in Lisbon, Portugal. The Trustees wish to record their gratitude on behalf of The Institute for the extraordinary visionary direction and support which the Founder Chair provided to The Institute since its inception. Following his accession as the 50th hereditary Imam of the Shia Imami Muslims, His Highness Prince Rahim Aga Khan V was appointed as a Trustee of The Institute on 18 February 2025 and became its Chair.

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Principal Risks and Uncertainties

The Trustees have assessed and continue to reassess the major risks to which the charity is exposed, in particular those related to the operations, compliance with law and regulation and finances of the charity. The major risks facing IIS are i) the loss of key academics and faculty staff, who cannot be readily replaced due to IIS operating in a specialised field, ii) significant damage to the holdings of the library and the special collections due to fire, flooding or other risks, iii) the inability to recruit students due to geopolitical developments and UK immigration constraints iv) cybersecurity risk and v) the level of inflation in the UK and its likely impact on the charity's future plans and budgets and its funding.

The Trustees, through the Director and various committees, monitor the above risks on an on-going basis and are satisfied with the plans put in place to mitigate them.

Related Parties

The Institute owns no subsidiary companies but itself is owned 98% by the Aga Khan Foundation, a registered foundation in Switzerland. The Institute has common interests with the Aga Khan University Foundation, Aga Khan Foundation (United Kingdom) and Islamic Publications Limited.

OBJECTIVES OF THE CHARITY

Aims and Objectives

The objects of the charity are, for the public benefit, to assist in the advancement of education and learning or any other exclusively charitable object (under the laws of England and Wales), including (without limiting the generality of the foregoing): to encourage, extend, increase, disseminate and promote knowledge of, and to promote, conduct and support research (including through the dissemination of the useful results of such research) into, the religious, spiritual and cultural heritage of the Shia Imami Ismaili Tariqah of Islam, and to conduct and support research into any other religious faiths, beliefs or practices and to disseminate the useful results thereof; and to establish, carry on, and support the educational institution known by the charity's name and such other educational institutions and programmes as the Board of Trustees sees fit.

Public benefit

The Institute, through its governing body, the Board of Trustees, is aware of its responsibilities as a charity to act for the public benefit across its activities and has had due regard to the latest version of the Charity Commission's public benefit guidance. The Institute endeavours to advance education and knowledge of Muslim societies and civilisations through learning, teaching and research for the benefit of individuals and society. It contributes to the development of professionals and scholars who have a broader, deeper and critical understanding of Islam and its diverse expressions in the modern contemporary context. As a result, scholars are better equipped to promote understanding and social cohesion amongst diverse communities in society and to analyse theological, social, economic and educational problems faced by contemporary societies, offering creative solutions to address them.

Location

The Institute is located in a purpose-designed home at the Aga Khan Centre in London's King's Cross, where it is co-located with The Aga Khan University (International) in the United Kingdom and the Aga Khan Foundation (United Kingdom). The Aga Khan Centre is a place for education, knowledge, cultural exchange, and insight into Muslim civilisations. The organisations that are located there work together to bridge the gap in understanding about Muslim cultures and their diversity, as well as to connect the public to global development issues. The three institutions host a variety of events, exhibitions, tours, and talks that are open to the public.

TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The law applicable to charitable companies 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 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 proper accounting records that disclose with reasonable accuracy 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 charity's governing documents. 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 breaches of law and regulations.

The Trustees are responsible for the maintenance and integrity of the charity as well as the 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.

STRATEGIC REPORT

2024 was a year of solid programmatic progress and also saw the completion of a new medium-term strategic plan. The latter has now been formally approved by the Board of Governors and Trustees and reaffirms The Institute's commitments to high-quality research, publications, and educational programmes, particularly in Ismaili and broader Islamic studies. Key strategic priorities include expanding its research agenda, enhancing knowledge dissemination for the Ismaili community, exploring degree awarding status, preserving Ismaili heritage, integrating digital learning, and strengthening its institutional capacity. While maintaining fiscal prudence and optimising resources, IIS aims to reinforce its role as a centre of excellence, serving both academic and global Ismaili communities.

(A) Achievements of the Charity

The Institute evaluates its qualitative performance by assessing the delivery of various programmatic activities outlined in its objectives and strategy document. This is achieved through its academic, research, teaching, and learning departments, all of which adhere to quality assurance guidelines. The Institute is committed to student success, ensuring high course completion and graduation rates while fostering a culture of research excellence through peer-reviewed publications of academic and curriculum materials.

Research and Academic Publications

In 2024, The Institute published four academic books and one non-specialist book in English: i) The Early Nizari Ismailis; ii) The Banquet of the Brethren; iii) The Book of Unveiling; iv) On Ethics and Character Traits; and v) Ismailis in Iran. The Institute also published three academic books in Persian. Additionally, it published translations of non-specialist books in Gujarati (1), Persian (1), and Urdu (1), and of academic books in Persian (2). The Institute continued various research projects and documented sites of historic significance across 15 countries, bringing the total to 1665 sites across 89 countries. The Institute continued its development and production of curriculum materials for children, available in 10 languages, and some of these educational materials are now available on The Institute's e-book platform. In 2024, three conferences were organised by The Institute, and it also hosted the prestigious International Qur'anic Studies Association (IQSA). All these conferences attracted a pool of international academics.

Graduate Programmes

The Institute provides two graduate programmes: the Graduate Programme in Islamic Studies and Humanities (GPISH) and the Secondary Teacher Education Programme (STEP), both of which result in the award of an MA validated by SOAS University of London. For STEP, successful graduates are

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awarded a PGDip by University College London (UCL), in addition to the MA. During 2024, The Institute completed its review of the STEP programme, the results of which will be implemented during the course of the strategic plan period.

The Institute continued to attract candidates from a diverse background for these two programmes, recruiting the desired number of students, based on its set criteria, from six countries. Further, two new doctoral scholarships were also awarded.

The Institute has been registered with the Office for Students since 2019 and has a Quality Assurance function which works with the Board of Governors and Senior Management to ensure that The Institute is cognisant of its compliance responsibilities and informed of evolving trends in higher education.

Aga Khan Library

The Aga Khan Library ("the Library", or "AKL") is jointly operated by The Institute and Aga Khan University (International) in the United Kingdom. In 2024, the Library continued to grow its collection with more than 800 new print titles. This included 380 books donated, mainly, by members of the Ismaili community. The Library completed its transition to a new digital collection platform which will help in the reduction of maintenance costs. The Library hosted the 45th MELCom International conference which attracted 110 attendees, and its outreach efforts included hosting more than 190 external researchers and organising bibliographical exhibitions on Hajj, and the partition of India and for Black History Month. The Head of AKL was nominated to the MELCom coordination committee, which reflects the leadership of the Library in regional and global networks. The Library has continued to expand its impact, offering invaluable resources, fostering cultural dialogue, and establishing itself as a world-class institution for research and community engagement.

(B) Financial Review

The financial position of The Institute is set out on pages 12 to 25. In summary, The Institute's total income in 2024 amounted to £19.7m (2023: £18.5m) with expenditure of £20.4m (2023: £19.5m). The increase in income of £1.2m (7%) was roughly consistent with the increased expenditure of £1.0m (5% increase) driven by the increase in staff cost due to hiring and inflation impact on both salaries and operational costs. In 2024, the net expenditure was £0.7m (2023: £1.0m). The resources expended were aligned with the charitable objectives of The Institute.

Reserves Policy

The Institute does not consider it necessary to hold significant levels of reserves as funds can be drawn down from its regular sources each month to invest in the ongoing charitable objectives of The Institute. The Trustees consider that the current level of reserves as referred to below, together with continued access to grant funding, are sufficient to maintain the short, medium, and long-term sustainability of The Institute.

The resulting cumulative unrestricted funds balance carried forward was £1.0m (2023: £1.7m) which is in line with The Institute's reserves policy, and there were no restricted reserves at the year end. The Trustees consider that the level of reserves is satisfactory, and that sufficient progress has been and continues to be made to achieve the charity's objectives.

Fundraising and Funding Sources

The Institute is not involved in fundraising activities directly from the general public. From time to time, it organises events for its past donors, who are all from the Ismaili community, and at such events, some indicate a wish to make an unsolicited donation.

The Institute's principal sources of funding are the Aga Khan University Foundation, Aga Khan Foundation (United Kingdom), and His Highness the Aga Khan.

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Investment Policy

The Institute, having regard to its liquidity requirements, has operated a policy of keeping available funds in an interest-bearing account until such time funds are needed. The account provides a standard rate of interest while providing immediate access to the funds.

(C) Plans for Future Period

The Institute will continue to develop and support its research, teaching, and community educational programmes and other initiatives as the Board of Trustees sees fit in pursuance of its objectives. The first year of implementation of The Institute's new strategic plan and its priorities, including the implementation of the organisation restructure set out therein, will be 2025. The Institute has a stable financial base and it expects to continue to benefit from ongoing and consistent funding support in 2025 and beyond.

The Trustees' Report, including the Strategic Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Directors on 28 May 2025 in their capacity as Trustees of the charity. The Trustees' Report is signed as authorised on their behalf by:



N Kheraj

Director and Trustee

28 May 2025

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UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF ISMAILI STUDIES

Opinion

We have audited the financial statements of The Institute of Ismaili Studies ("the charitable company") for the year ended 31 December 2024 which comprise the Statement of Financial Activities, including Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that

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includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the charitable company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the charitable company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011 and Charities SORP 2019. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to income recognition, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with management their policies and procedures regarding compliance with laws and regulations.
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charitable company which were contrary to the applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Substantively testing of revenue and testing of journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud;
- Discussing amongst the engagement team the risks of fraud such as opportunities for fraudulent manipulation of financial statements; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial

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statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Colin Wright

Senior Statutory Auditor

For and on behalf of UHY Hacker Young

Chartered Accountants and Statutory Auditor

Date: 29/05/2025

4 Thomas More Square

London E1W 1 YW

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Statement of Financial Activities

Including Income and Expenditure Accounts
For the year ended 31 December 2024

	Notes	Total 2024 £	Total 2023 £
Incoming resources			
Income from Donations and Legacies:			
Grants and donations	2 & 20	**12,755,400**	12,022,841
Gift in Kind	2 & 20	**6,950,632**	6,423,889
Other income	2	**43,123**	21,597
Total		**19,749,155**	18,468,327
Resources expended			
Expenditure on:			
Charitable activities	3	**20,441,953**	19,473,385
Total		**20,441,953**	19,473,385
Net expenditure		**(692,798)**	(1,005,058)
Reconciliation of funds:			
Total Funds brought forward		**1,714,180**	2,719,238
Net movement in funds	13	**(692,798)**	(1,005,058)
Total Unrestricted Funds carried forward		**1,021,382**	1,714,180

All of the above results are derived from continuing activities. There were no recognised gains or losses and no restricted funds.

The notes on pages 15 to 25 form part of these financial statements.

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Balance Sheet

As at 31st December 2024

	Notes	31 December 2024		31 December 2023	
		£	£	£	£
Fixed assets					
Intangible assets	8	**53,529**		-	
Tangible assets	9	**132,704**		103,372	
Heritage assets	9	**208,786**		202,050	
Total fixed assets			**395,019**		305,422
Current assets					
Debtors	10	**748,032**		1,435,941	
Cash at bank and in hand	18	**1,386,496**		1,634,996	
Total current assets		**2,134,528**		3,070,937	
Creditors: amounts falling due within one year	11	**(1,508,165)**		(1,662,179)	
Net current assets			**626,363**		1,408,758
Net assets			**1,021,382**		1,714,180
Share capital and reserves					
Called up share capital	12		**100**		100
Funds of the charity					
Unrestricted funds	13		**1,021,282**		1,714,080
Total funds			**1,021,382**		1,714,180

Company Number: 01324858

The notes on pages 15 to 25 form part of these financial statements.

The financial statements were approved by the Trustees on 28 May 2025 and were signed on their behalf by:

N. Kheraj

Director and Trustee

28 May 2025

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Cashflow Statement

For the year ended 31 December 2024

	Notes	2024 £	2023 £
Net cash (outflow)/inflow from operating activities	17	**(51,796)**	361,146
Cash flow from investing activities			
Purchase of intangible assets	19	**(80,293)**	-
Purchase of tangible assets	19	**(116,411)**	(95,379)
Net cash used in investing activities		**(196,704)**	(95,379)
Net (decrease)/increase in cash	18	**(248,500)**	265,767
Cash at beginning of year		**1,634,996**	1,369,229
Cash at the end of the year	18	**1,386,496**	1,634,996
Cash consists of:			
Cash at bank and in hand	18	**1,386,496**	1,634,996

The notes on pages 15 to 25 form part of these financial statements.

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Notes to the Financial Statements for the year ended 31 December 2024

1. Accounting policies

Charity and Company Information

The Institute of Ismaili Studies is a Public Benefit Entity, registered as a charity in England and Wales and a company limited by guarantee with a share capital. It was incorporated on 9 August 1977 (Company Number: 01324858) and registered as a charity on 10 July 2018 (Charity Number: 1179135).

Basis of Preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Financial Reporting Standard, applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland - 2019. The principal accounting policies, which have been applied consistently throughout the periods shown, are set out below. The reasons for preparing these financial statements on the going concern basis are set out in the Trustees' report.

Accounting Estimates and Key Judgements

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the charity's accounting policies. These estimates, judgements and assumptions are made based on a combination of experience, professional expert advice and other evidence that is relevant to the particular circumstance.

The key areas of judgement included in the financial statements are: i) gifts-in-kind ii) recognition of Heritage Asset by way of donation iii) impairment of fixed assets and iv) depreciation of intangible and fixed asset using rates to write off the cost over their expected useful economic lives. See below for details.

a) Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. In making this assessment the Trustees have considered the potential impact of cost-of-living increases and CPI inflation in the UK and are satisfied that The Institute will be supported by its existing funding sources. For this reason, the Trustees continue to adopt the going concern basis in preparing these financial statements.

b) Incoming Resources and Gifts-in-Kind

i. Grants, donations and other income are recognised in the period in which The Institute is entitled to receive them, and the amount can be measured with sufficient reliability.

ii. Gifts-in-kind are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. This is recognised as income under gifts-in-kind and a corresponding amount is included in the appropriate expenditure.

c) Resources Expended and Irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

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d) Apportionment of Costs by Activity

Overhead and support costs are allocated first between those that pertain to The Institute's charitable activities and those that support those activities. Overhead and support costs have been apportioned based on the value of the costs within the activity centres as that is deemed to be the most accurate basis of allocation.

e) Cost of Generating Funds

The Institute did not incur any cost in relation to generating funds since it did not undertake any fundraising activities in the year.

f) Charitable Activities

Costs of activities incurred in the attainment of The Institute's educational objectives, including the apportionment of overheads and support costs, are shown in notes 3 and 4.

g) Governance Costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

h) Fund Accounting

The Institute primarily receives unrestricted donations and grants and does not hold any restricted funds.

i) Intangible, Fixed and Heritage Assets

Intangible assets represent the cost of software purchased and its development for use in the medium to long term. Only costs relating to the implementation phase exceeding £1000 are capitalised. Training and subsequent renewal cost of maintaining the software are expensed as incurred. Costs are amortised over their economic useful life which is three years.

Fixed assets and heritage assets are stated at cost, less accumulated depreciation. Cost includes the original purchase price and costs directly attributable to bringing the assets to their intended use. Assets (including heritage assets) received by way of donations are stated at fair value where practicable at the time of the donation. If a reliable estimate cannot be made or the cost of valuation is likely to exceed the benefits provided by obtaining the information, the asset is not recognised in the accounts and information is disclosed. Fixed assets with an acquisition cost of less than £500 are not capitalised.

Provision for depreciation is made so as to write off the value of fixed assets on a straight-line basis over the expected useful economic life of the assets concerned. A full year's depreciation is charged in the year of purchase. The principal annual rates used for this purpose are:

	%
Intangible assets - software	33
Furniture, fixtures & fittings	10
Office machinery and equipment	33
Books	20
Heritage Assets	Nil

No depreciation has been charged on Heritage Assets bought or donated as the Trustees believe that the residual value can always be expected to be at least equal to their cost because the estimated useful lives are expected to be indefinite. An impairment review is performed annually and based on this, there has been no impairment in the carrying value of these assets.

j) Taxation

As a registered charity The Institute of Ismaili Studies is not liable for UK corporation tax to the extent it applies its income for its charitable activities.

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k) Foreign Currencies

(i) Functional and presentation currency
The Institute's functional and presentation currency is the pound sterling.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

l) Pension

The Institute participates in a group pension scheme of the defined contribution type. The assets of the scheme are held separately from those of The Institute in an independently administered fund. Contributions are charged to the income and expenditure account as and when they accrue. The pension cost charge disclosed in note 6 represents the contribution paid by The Institute to the fund.

2. Analysis of Income

	2024	2023
	£	£
2 (i) Grants and Donations		
Grants and major donations	12,565,000	11,713,000
Other donations	190,400	309,841
	12,755,400	12,022,841
2 (ii) Gifts in Kind		
Gifts in Kind from Aga Khan Foundation (United Kingdom) (note 20)	6,950,632	6,423,889
	6,950,632	6,423,889
2 (iii) Other Income		
Other income	43,123	21,597
	43,123	21,597
2 (iv) Income Analysed by Country		
Switzerland	**10,265,000**	11,713,000
United Kingdom (including Gifts in Kind)	**9,484,155**	6,755,327
	19,749,155	18,468,327

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3. Analysis of Charitable Expenditure

FY 2024	Research and Academic Publications	Graduate Programmes	Library and Special Collections	2024 Total
	£	£	£	£
Direct Educational Expenditure	4,718,017	6,479,533	744,343	11,941,893
Support Costs	3,275,405	4,504,771	554,377	8,334,553
Governance Costs	65,389	89,802	10,316	165,507
	8,058,811	**11,074,106**	**1,309,036**	**20,441,953**

FY 2023	Research and Academic Publications	Graduate Programmes	Library and Special Collections	2023 Total
	£	£	£	£
Direct Educational Expenditure	4,230,591	6,656,970	668,413	11,555,974
Support Costs	2,830,647	4,448,514	452,680	7,731,841
Governance Costs	67,936	106,900	10,734	185,570
	7,129,174	**11,212,384**	**1,131,827**	**19,473,385**

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4. Allocation of Support Costs and Governance Costs

FY 2024	Research and Academic Publications	Graduate Programmes	Library and Special Collections	Governance Costs	2024 Total
	£	£	£	£	£
Legal and professional fees	-	-	-	47,241	**47,241**
Staff costs	780,134	1,072,944	133,334	118,266	**2,104,678**
Other costs	2,495,271	3,431,827	421,043	-	**6,348,141**
Total Support and Governance costs	**3,275,405**	**4,504,771**	**554,377**	**165,507**	**8,500,060**

FY 2023	Research and Academic Publications	Graduate Programmes	Library and Special Collections	Governance Costs	2023 Total
	£	£	£	£	£
Legal and professional fees	-	-	-	34,390	**34,390**
Staff costs	611,165	960,479	98,645	151,180	**1,821,469**
Other costs	2,219,482	3,488,035	354,035	-	**6,061,552**
Total Support and Governance costs	**2,830,647**	**4,448,514**	**452,680**	**185,570**	**7,917,411**

Included within support costs are Gifts in Kind of £5,068,237 (2023: £4,377,154) relating to the market rental value and occupancy cost of the premises.

5. Net Movement in Funds

The net movement in funds for the year is stated after charging:

	2024 £	2023 £
Auditors' remuneration: audit fees	28,000	27,000
Auditors' remuneration: Secretarial and tax services	19,241	7,390
Depreciation of tangible fixed assets	80,343	78,369
Amortisation of intangible fixed assets	26,764	-

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6. Paid Employees

(i) Staff Costs

	2024	2023
	£	£
Permanent staff:		
Salaries and wages	6,955,298	6,306,595
Social security costs	739,080	681,956
Pension costs (defined contribution scheme)	661,605	630,170
Other costs	302,195	283,465
	8,658,178	7,902,186

Other cost includes severance payments for staff of £59,457 and benefits for the Director employed of £73,068 (2023: severance payments of £64,130 and benefit for the Director £107,516). The Institute ensures severance amount are in compliance with the applicable laws and regulations.

(ii) Salary Bands

The following number of employees received total remuneration in excess of £60,000 (excluding national insurance and employer pension contributions) within the bands shown:

	2024	2023
Band		
£60,000 to £69,999	**12**	**13**
£70,000 to £79,000	**5**	**4**
£80,000 to £89,999	**3**	**3**
£90,000 to £99,999	**3**	**1**
£100,000 to £109,999	**1**	**0**
£125,000 to £129,999	**0**	**0**
£130,000 to £134,999	**0**	**1**
£135,000 to £139,999	**0**	**1**
£140,000 to £144,999	**1**	**1**
£145,000 to £149,999	**1**	**0**
£155,000 to £159,999	**1**	**0**
£215,000 to £219,999	**0**	**1**
£235,000 to £239,999	**1**	**0**

(iii) Average Head Count in the Year

The average number of full-time employees during the year ended 31 December 2024 was 141 (2023: 130).

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7. Management Remuneration

(i) Emoluments of Key Management

The emoluments of key management who are not The Institute's Trustees excluding employer's national insurance and pension contributions are:

	2024	2023
	£	£
Aggregate emoluments	**998,819**	895,032
Aggregate employer's contributions to pension scheme	**92,252**	78,751

Key management are also the beneficiaries of The Institute's pension scheme under which contributions are made to a defined contribution pension plan.

Remuneration and benefits paid to the Director of The Institute were £300,068 (2023: £321,667) and pension contributions of £22,700 (2023: £21,415).

The Director's basic salary and total remuneration was 4.6 times (2023: 4.4 times) and 6.0 times (2023: 6.4 times) the median pay and median total remuneration of staff respectively. The median pay is calculated on a full-time equivalent basis for the basic salaries and total remuneration paid by The Institute to its staff.

(ii) Trustees Remuneration and Expenses

Trustees may be reimbursed for travel and subsistence properly incurred on The Institute's affairs and The Institute can make similar payments directly to third parties on behalf of Trustees. The charity did not reimburse Trustees for any expenses in the year.

8. Intangible Assets

Cost	**Software**
As 1 January 2024	-
Additions	80,293
At 31 December 2024	**80,293**
At 31 December 2023	-
Amortisation	
As 1 January 2024	-
Charge for the year	26,764
At 31 December 2024	**26,764**
At 31 December 2023	-
Net Value at 31 December 2024	**53,529**

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9. Tangible Fixed Assets

	Office Equipment	Books	Heritage Assets	Total
	£	£	£	£
Costs				
At 1 January 2024	982,270	893,862	202,050	**2,078,182**
Additions	88,608	21,067	9,114	**118,789**
Disposal	-	-	(2,378)	(2,378)
At 31 December 2024	**1,070,878**	**914,929**	**208,786**	**2,194,593**
Depreciation				
At 1 January 2024	931,913	840,847	-	**1,772,760**
Charge for the year	55,827	24,516	-	**80,343**
At 31 December 2024	**987,740**	**865,363**	**-**	**1,853,103**
Net book value				
At 31 December 2024	**83,138**	**49,566**	**208,786**	**341,490**
At 31 December 2023	50,357	53,015	202,050	305,422

All assets are held for charitable purposes.

The Institute was donated certain manuscripts between 2011 and 2015. In 2022, these donated manuscripts were valued by an independent valuer and their fair value was determined at £1.26m. The Trustees are of the view that these manuscripts will continue to be used for research by The Institute and The Institute will follow the accounting recognition principle referred in note 1(i).

10. Debtors

	2024	2023
	£	£
Amount owed by Islamic Publications Limited (related party)	-	534,213
Prepayments	626,051	712,900
Other debtors	121,981	188,828
Amount falling due within one year	**748,032**	**1,435,941**

The Institute owed £48,752 to Islamic Publications Limited at year end which is reflected in note 11 of the accounts.

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11. Creditors

	2024	2023
	£	£
Analysis of creditors		
Trade and other creditors	1,014,239	1,344,395
Amount owed to Islamic Publications Limited (related party)	48,752	-
Accruals	445,174	317,784
Creditors falling due within one year	**1,508,165**	1,662,179

Trade and other creditors include an amount of £161,543 (2023: £471,060) to Aga Khan University Foundation in relation to proceeds of Talim materials.

12. Share Capital: Authorised, Issued and Fully Paid

	2024	2023
	£	£
100 ordinary shares of £1 each	**100**	100

According to the Articles of Association the liability of the members is limited by guarantee. In addition, the charitable company is precluded from making any distributions to members either by way of a dividend or on a winding up.

13. (i) Unrestricted Funds

	2024	2023
	£	£
1 January	**1,714,080**	2,719,138
Net movement in funds	**(692,798)**	(1,005,058)
31 December	**1,021,282**	1,714,080

13. (ii) Reconciliation of Movements in Funds

	2024	2023
	£	£
Net movement in funds	**(692,798)**	(1,005,058)
Funds brought forward	**1,714,180**	2,719,238
Funds carried forward	**1,021,382**	1,714,180

Represented by:	2024	2023
	£	£
Tangible and intangible fixed assets	**395,019**	305,422
Current assets	**2,134,528**	3,070,937
Current liabilities	**(1,508,165)**	(1,662,179)
Balance at 31 December	**1,021,382**	1,714,180

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14. Total Funds

The accumulated surplus shown in the balance sheet includes specific grants received to date which have been applied by the Board of Trustees in the purchase of fixed assets for the use of The Institute and in the publication and distribution of religious and cultural education books and for other accumulated expenditure. Any unutilised grant received will be used during the following year for that year's expenditure and to cover expenditure in future years. The Board of Trustees, therefore, and in accordance with The Institute's Articles of Association, regard the accumulated surplus as being unrestricted funds for use in furtherance of the charity's objectives.

15. Taxation

The Institute of Ismaili Studies became a charity on 10 July 2018. Prior to this date, it was liable to Corporation tax. From 10 July 2018 onwards, the charity is no longer liable for Corporation tax on income derived from its activities, as these fall within the various exemptions available to charities.

16. Pension

The Institute of Ismaili Studies operates a pension scheme. The pension cost charge for the period represents contributions payable by The Institute of Ismaili Studies to the scheme and amounted to £661,605. (2023: £630,170).

17. Reconciliation of (deficit)/surplus to Net Cash from Operating Activities

	2024	2023
	£	£
Net expenditure	**(692,798)**	(1,005,058)
Depreciation on tangible fixed assets	**80,343**	78,369
Amortisation of intangible assets	**26,764**	-
(Decrease)/increase in creditors	**(154,014)**	805,079
Decrease in debtors	**687,909**	482,756
Net cash (outflow) / inflow from operating activities	**(51,796)**	361,146

18. Cash and Cash Equivalents

	2024	2023
	£	£
Changes in the year		
At 1 January	**1,634,996**	1,369,229
Net (decrease) / increase in cash	**(248,500)**	265,767
At 31 December	**1,386,496**	1,634,996

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19. Capital Expenditure

	2024	2023
	£	£
Purchase of tangible and intangible assets	**199,082**	95,379
Disposal of tangible assets	**(2,378)**	-
Net cash outflow for capital expenditure	**196,704**	95,379

20. Related Party Transaction

Income includes £10,150,000 (2023: £8,713,000) of grants received from Aga Khan University Foundation (AKUF), £115,000 (2023: £3,000,000) of grants received from His late Highness the Aga Khan IV, Trustee and a shareholder of the charity and £2,300,000 (2023: £93,468) from Aga Khan Foundation (United Kingdom).

Included within expenditure is £311,007 (2023: £180,839) relating to the purchase of publications from Islamic Publications Limited (IPL), a company that has a number of common Directors/Trustees with The Institute of Ismaili Studies. The Institute has a payable of £48,742 (2023: debtor balance £534,213) to IPL and £161,543 (2023: £471,060) to AKUF for Talim materials, details of which are set out in note 10 and 11 to these accounts.

The Gifts in Kind amount of £6,950,632 consists of the market rental value and occupancy costs of the premises and student accommodation (2023: £6,423,889), which are owned by Aga Khan Foundation (United Kingdom). An equivalent amount is included in expenditure.

21. Ultimate Holding Company and Controlling Parties

Aga Khan Foundation, a foundation registered in Switzerland, has a 98% interest (representing 98 shares) in the equity capital of The Institute of Ismaili Studies. It is the immediate, ultimate, and controlling parent entity.

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THE INSTITUTE OF ISMAILI STUDIES

England & Wales - Charity number 1179135

Accounts

The Institute of Ismaili Studies

Trustees' Report and Financial Statements

for the Year Ended 31 December 2023

Company number: 01324858
Registered Charity number: 1179135

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The Institute of Ismaili Studies

Trustees' Report and Financial Statements for the Year Ended 31 December 2023

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Reference and Administrative information

Directors and Trustees

The Board of Trustees, who are also Directors for Companies Act purposes, at the date on which the financial statements were approved and the Committee of the Board of Trustees that they served on during the financial year were as follows:

His Highness the Aga Khan
Mrs Karina Govindji (a)
Mr Naguib Kheraj, CBE (a)
Mr Habib Motani (a)

(a) Board of Governors Committee

Board of Governors
Professor Ali Asani
Dr Farhad Daftary (appointed - January 2023)
Mrs Karina Govindji
Dr Arif Jamal
Dr Nadia Eboo Jamal
Mr Rahim Karim
Mr Alykhan Kassam
Mr Amyn Kassim-Lakha
Professor Tashmin Khamis
Mr Naguib Kheraj, CBE
Dr Sharofat Mamadambarova
Dr Shogufa Mir Malekyar
Mr Habib Motani
Professor Nacim Pak-Shiraz
Professor Farid F. Panjwani

Secretary
Mr Habib Motani

Registered Office
Aga Khan Centre
10 Handyside Street
King's Cross
London, N1C 4DN

Registered Auditors
UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London, E1W 1YW

Bankers
Lloyds Bank
113-117 Oxford Street
London W1D 2HW

Company number: 01324858
Registered Charity number: 1179135

Trustees' Report for the year ended 31 December 2023

The Trustees have pleasure in submitting their report and the accounts for the year ended 31 December 2023.

ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) 2019 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trustees have ultimate responsibility for all aspects of the work of The Institute of Ismaili Studies ("The Institute", "IIS" or "the charity"): its academic, financial and investment policies and strategic direction. In 2023, upon the appointment of Professor Zayn Kassam as Director of The Institute, Dr Farhad Daftary retired from his role as Co-director and was appointed to the Board of Governors of The Institute. He has also continued his scholarly work in the department of academic research. The day-to-day management of The Institute was delegated by the Trustees to the Director, who operated through her departmental and unit heads. The co-ordination of the work of The Institute was the responsibility of the Director. The Trustees continued to participate in the strategic decision-making processes of The Institute through the Director and the system of committees and sub-committees.

Governing document

The Institute is a company limited by guarantee and having a share capital and was incorporated on 9 August 1977. It became a registered charity on 10 July 2018. The objects and powers of The Institute were established in its Memorandum of Association and it is governed by its Articles of Association as amended by special resolution on 2 July 2018.

Key Management Personnel

The charity's Trustees, its committees and sub-committees, the Director and the departmental heads comprise the key management personnel of the charity in charge of directing, controlling and running the charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration for their roles in the year.

The remuneration of key management is determined within a framework approved by the Trustees. The framework seeks to take into consideration various factors, such as inflation, performance as well as remuneration levels at comparable institutions.

Trustees Appointment, Induction and Training

As set out in the Articles of Association, the Trustees are appointed and removed by the holder(s) of a simple majority of the issued share capital of The Institute. Arrangements are made to ensure that Trustees are aware of the aims and objectives of the charity and their responsibilities.

Principal Risks and Uncertainties

The Trustees have assessed and continue to reassess the major risks to which the charity is exposed, in particular those related to the operations, compliance with law and regulation and finances of the charity. The major risks facing IIS are i) the loss of key academics and faculty staff, who cannot be readily replaced due to IIS operating in a specialised field, ii) significant damage to the holdings of the library and the Ismaili Collections due to fire, flooding or other risks, and iii) the inability to recruit students due to UK immigration constraints. The level of inflation in the UK and its possible impact on the charity's future plans and budgets and actual results for the year ending 31 December 2023 has also been considered.

The Trustees, through the Director and various committees, monitor the above risk on an on-going basis and plans as required are put in place to mitigate these.

Related Parties

The Institute owns no subsidiary companies but itself is owned 98% by the Aga Khan Foundation, a registered foundation in Switzerland. The Institute has common interests with the Aga Khan University Foundation, Aga Khan Foundation (United Kingdom) and Islamic Publications Limited.

Trustees' Report for the year ended 31 December 2023 (continued)

OBJECTIVES OF THE CHARITY

Aims and Objectives

The objects of the charity are, for the public benefit, to assist in the advancement of education and learning or any other exclusively charitable object (under the laws of England and Wales), including (without limiting the generality of the foregoing): to encourage, extend, increase, disseminate and promote knowledge of, and to promote, conduct and support research (including through the dissemination of the useful results of such research) into, the religious, spiritual and cultural heritage of the Shia Imami Ismaili Tariqah of Islam, and to conduct and support research into any other religious faiths, beliefs or practices and to disseminate the useful results thereof; and to establish, carry on, and support the educational institution known by the charity's name and such other educational institutions and programmes as the Board of Trustees sees fit.

Public benefit

The Institute, through its governing body, the Board of Trustees, is aware of its responsibilities as a charity to act for the public benefit across its activities and has had due regard to the latest version of the Charity Commission's public benefit guidance. The Institute endeavours to advance education and knowledge of Muslim societies and civilisations through learning, teaching and research for the benefit of individuals and society. It contributes to the development of professionals and scholars who have a broader, deeper and critical understanding of Islam and its diverse expressions in the modern contemporary context. As a result, scholars are better equipped to promote understanding and social cohesion amongst diverse communities in society and to analyse theological, social, economic and educational problems faced by contemporary societies, offering creative solutions to address them.

Location

The Institute is located in a purpose-designed home at the Aga Khan Centre in London's King's Cross, where it is co-located with The Aga Khan University (International) in the United Kingdom and the Aga Khan Foundation (United Kingdom). The Aga Khan Centre is a place for education, knowledge, cultural exchange and insight into Muslim civilisations. The organisations that are located there work together to bridge the gap in understanding about Muslim cultures and their diversity as well as to connect the public to global development issues. The three institutions host a variety of events, exhibitions, tours and talks that are open to the public.

TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 proper accounting records that disclose with reasonable accuracy 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 charity's governing documents. 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 breaches of law and regulations.

The Trustees are responsible for the maintenance and integrity of the charity as well as the 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.

Trustees' Report for the year ended 31 December 2023 (continued)

STRATEGIC REPORT

2023 was a time of significant change in leadership at IIS, with Professor Zayn Kassam joining as Director and Dr Farhad Daftary retiring as Co-Director. Progress was made on various initiatives in 2023 as The Institute returned to pre-pandemic ways of working. In person events became more regular and academic staff participated in various conferences and events. The cost of doing business continued to increase on account of high inflation in 2023, but it is expected that the impact will not be as severe in 2024 as it was in the previous two years.

(A) Achievements of the charity

Research and Academic Publications

In 2023, The Institute published three academic books and one non-specialist book in English: i) The Emergence of Shi'i Sufism; ii) The Proof of God; iii) Women, Households, and the Hereafter in the Qur'an; and iv) Experiences of the Jamatkhana. The Institute also published four non specialist book translations: three from 2021 into Portuguese, Gujarati, and Urdu, and one from 2022 into Persian. The Institute is conducting various research projects, some of which will lead to publications. Among these are projects on important international heritage sites, diverse cultural and religious practices and ethics, as well as the analysis of its unique collections of historical manuscripts. The Institute's development and production of curriculum materials for children, available in 10 languages, continued and some of these educational materials are now available on The Institute's e-book platform. One non-specialist book, 'The Fatimids 2: The Rule from Egypt', was published as an audiobook as The Institute gears its efforts towards digitalisation, aiming to make its publications reach a wider audience. In 2023, The Institute organised a conference on the topic of 'Textual Practises & Knowledge Dissemination from Manuscripts to the Digital Age' which attracted a pool of international academics.

Graduate Programmes

The Institute provides two graduate programmes: the Graduate Programme in Islamic Studies and Humanities (GPISH) and the Secondary Teacher Education Programme (STEP), both of which result in the award of an MA validated by SOAS University of London. The STEP is also conducted in conjunction with University College London (UCL) and in addition to the MA, successful graduates are awarded a PGDip by UCL. During 2023, The Institute concluded its periodic re-validation of its Masters degree and post graduate diploma programme with its partners, SOAS and UCL.

The Institute registered with the Office for Students in 2019 and has a Quality Assurance function which works with the Board and Senior Management to ensure that The Institute is cognisant of its compliance responsibilities and informed of evolving trends in higher education.

Aga Khan Library

The Aga Khan Library (the Library) is jointly operated by The Institute and The Aga Khan University (International) in the United Kingdom. In 2023, the Library continued to grow its collection with more than 1200 new print titles. This included 550 books donated by Professor David Hardiman of Warwick University for South Asian studies. The Library started a gradual but steady transition towards digitilisation, acquiring many titles, particularly reading course materials in electronic formats. By the end of 2023, the Library had over 54,000 volumes of print books, over 80,000 e-books, and 65 digital subscriptions to online journals and databases. The library organised an exhibition titled "The Quran: Form, Fragrance & Feeling" in collaboration with the Ismaili Special Collections Unit. 138 external researchers visited the Library, of whom more than 100 requested long-term access. The Library was accepted as a member of M25, a consortium of academic and research libraries in Greater London, that allows our researchers to access, free of charge, the physical spaces and collections of member libraries. The Library continued to improve librarianship education in Middle Eastern materials and partnered with the conveyors of the module on Historical bibliography offered by UCL to different MA programmes.

(B) Financial review

The financial position of The Institute is set out on pages 9 to 19. In summary, The Institute's total income in 2023 amounted to £18.5m (2022: £18.6m) with expenditure of £19.5m (2022: £17.6m). The increased expenditure of £1.9m (11% increase) in 2023 was driven by resumption of activities post Covid-19 pandemic along with the increase in staff and operational costs due to higher inflation in the UK. In 2023, the annual deficit was £1.0m (2022: surplus of £1m). The resulting cumulative funds balance carried forward was £1.7m (2022: £2.7m) which will be used to fund future charitable activities. The Trustees consider that the level of reserves is satisfactory, and that sufficient progress has been and continues to be made to achieve the charity's objectives.

Reserves policy

The Institute does not consider it necessary to hold significant levels of reserves as funds can be drawn down from its regular sources each month to invest in the ongoing charitable objectives of The Institute. The Trustees consider that the current level of reserves (between £1.5m-£3m), together with continued access to grant funding, are sufficient to maintain the short, medium, and long-term sustainability of The Institute, and to enable The Institute to operate.

Trustees' Report for the year ended 31 December 2023 (continued)

Fundraising and Funding Sources

The Institute's principal sources of funding are the Aga Khan University Foundation, Aga Khan Foundation (United Kingdom) and His Highness the Aga Khan. The Institute also received unsolicited donations from individuals in the Ismaili community for which it is extremely thankful. In 2023, The Institute organised an event for past and current donors which highlighted The Institute's work, its impact on the community and to seek their continued financial support. Expenditures incurred for the event were underwritten through a donation.

Investment Policy

The Institute, having regard to its liquidity requirements, has operated a policy of keeping available funds in an interest bearing account until such time funds are needed. The account provides a standard rate of interest while providing immediate access to the funds.

(C) Plans for future period

The Institute will continue to develop and support its research, learning and educational programmes and other initiatives as the Board of Trustees sees fit in pursuance of its objectives. The Institute is continuing to develop a ten-year strategy that is aimed to assess the current state of resource allocation and its desired future priorities. The Institute has a stable financial base and it expects to continue to benefit from ongoing and consistent funding support in 2024 and beyond.

N Kheraj
Director and Trustee

29 May 2024

Independent Auditor's report to the Trustees of The Institute of Ismaili Studies

Opinion

We have audited the financial statements of The Institute of Ismaili Studies ("the charitable company") for the year ended 31 December 2023 which comprise the statement of financial activities, including income and expenditure account, the balance sheet, the cash flow statement and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' report has been prepared in accordance with applicable legal requirements.

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Independent Auditor's report to the Trustees of The Institute of Ismaili Studies (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the charitable company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011 and Charities SORP 2019. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to the applicable laws and regulations, including fraud.

Independent Auditor's report to the Trustees of The Institute of Ismaili Studies (continued)

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Substantively testing of revenue and testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Colin Wright
(Senior Statutory Auditor)

For and on behalf of UHY Hacker Young
Chartered Accountants and Statutory Auditor

31/05/2024
.....2024

4 Thomas More Square
London E1W 1YW

Statement of Financial Activities including Income and Expenditure Accounts

for the year ended 31 December 2023

	Notes	Total 2023 £	Total 2022 £
Incoming resources			
Income from Donations and Legacies:			
Grants and donations	2 & 19	**12,022,841**	12,334,092
Gift in Kind	2 & 19	**6,423,889**	6,244,758
Other income	2	**21,597**	1,457
Total		**18,468,327**	18,580,307
Resources expended			
Expenditure on:			
Charitable activities	3	**19,473,385**	17,592,147
Total		**19,473,385**	17,592,147
Net (expenditure)/income	12	**(1,005,058)**	988,160
Reconciliation of funds:			
Total Funds brought forward		**2,719,238**	1,731,078
Net movement in funds		**(1,005,058)**	988,160
Total Unrestricted Funds carried forward		**1,714,180**	2,719,238

All of the above results are derived from continuing activities. There were no recognised gains or losses and no restricted funds.

The notes on pages 12 to 19 form part of these financial statements.

Balance Sheet

as at 31st December 2023

	Notes	31 December 2023		31 December 2022	
		£	£	£	£
Fixed assets					
Tangible assets	8	**103,372**		92,162	
Heritage assets	8	**202,050**		196,250	
Total fixed assets			**305,422**		288,412
Current assets					
Debtors	9	**1,435,941**		1,918,697	
Cash at bank and in hand	17	**1,634,996**		1,369,229	
Total current assets		**3,070,937**		3,287,926	
Creditors: amounts falling due within one year	10	**(1,662,179)**		(857,100)	
Net current assets			**1,408,758**		2,430,826
Net assets			**1,714,180**		2,719,238
Share capital and reserves					
Called up share capital	11		**100**		100
Funds of the charity					
Unrestricted funds	12		**1,714,080**		2,719,138
Total funds			**1,714,180**		2,719,238

The notes on pages 12 to 19 form part of these financial statements. Company Number: 01324858

The financial statements were approved by the Trustees on __ May 2024 and were signed on their behalf by:

N. Kheraj
Director and Trustee

29 May 2024

Cash Flow Statement

for the year ended 31 December 2023

	Notes	2023 £	2022 £
Net cash inflow from operating activities	16	**361,146**	733,842
Cash flow from investing activities			
Purchase of tangible assets	18	**(95,379)**	(71,928)
Net cash used in investing activities		**(95,379)**	(71,928)
Net increase in cash	17	**265,767**	661,914
Cash at beginning of year		**1,369,229**	707,315
Cash at the end of the year	17	**1,634,996**	1,369,229
Cash consists of:			
Cash at bank and in hand	17	**1,634,996**	1,369,229

The notes on pages 12 to 19 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 December 2023

1 Accounting policies

Charity and Company Information

The Institute of Ismaili Studies is a Public Benefit Entity, registered as a charity in England and Wales and a company limited by guarantee with a share capital. It was incorporated on 9 August 1977 (Company Number: 01324858) and registered as a charity on 10 July 2018 (Charity Number: 1179135).

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Financial Reporting Standard, applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland - 2019. The principal accounting policies, which have been applied consistently throughout the periods shown, are set out below. The reasons for preparing these financial statements on the going concern basis are set out in the Trustees' report.

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the charity's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed below.

a) Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. In making this assessment the Trustees have considered the potential impact of cost of living increases and CPI inflation in the UK and are satisfied that The Institute will be supported by its existing funding sources. For this reason the Trustees continue to adopt the going concern basis in preparing these financial statements.

b) Incoming resources and gifts-in-kind

i) Grants, donations and other income are recognised in the period in which The Institute is entitled to receive them and the amount can be measured with sufficient reliability.

ii) Gifts-in-kind are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. This is recognised as income under gifts-in-kind and a corresponding amount is included in the appropriate expenditure.

c) Resources expended and irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

d) Apportionment of costs by activity

Overhead and support costs are allocated first between those that pertain to The Institute's charitable activities and those that support those activities. Overhead and support costs have been apportioned based on the value of the costs within the activity centres as that is deemed to be the most accurate basis of allocation.

e) Cost of generating funds

In 2023, The Institute organised an event for its past and present donors. The cost of the event was covered in full through a donation. No other costs were incurred in relation to generating funds for The Institute.

f) Charitable activities

Costs of charitable activities that drive the attainment of The Institute's educational objectives, including the apportionment of overheads and support costs, are shown in notes 3 and 4.

g) Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

h) Fund accounting

The Institute primarily receives unrestricted donations and grants and does not hold any restricted funds.

i) Fixed assets and heritage assets

Fixed assets and heritage assets are stated at cost, less accumulated depreciation. Cost includes the original purchase price and costs directly attributable to bringing the assets to their intended use. Assets (including heritage assets) received by way of donations are stated at fair value where practicable at the time of the donation. If a reliable estimate cannot be made or the cost of valuation is likely to exceed the benefits provided by obtaining the information, the asset is not recognised in the accounts and information is disclosed. Fixed assets with an acquisition cost of less than £500 are not capitalised.

Provision for depreciation is made so as to write off the value of fixed assets on a straight line basis over the expected useful economic life of the assets concerned. A full year's depreciation is charged in the year of purchase. The principal annual rates used for this purpose are:

	%
Furniture, fixtures & fittings	10
Office machinery and equipment	33
Books	20
Heritage Assets	Nil

No depreciation has been charged on Heritage Assets bought or donated as the Trustees believe that the residual value can always be expected to be at least equal to their cost because the estimated useful lives are expected to be indefinite. An impairment review is performed annually and based on this, there has been no impairment in the carrying value of these assets.

j) Taxation

As a registered charity The Institute of Ismaili Studies is not liable for UK corporation tax to the extent it applies its income for its charitable activities.

k) Foreign currencies

(i) Functional and presentation currency
The Institute's functional and presentation currency is the pound sterling.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

l) Pension

The Institute participates in a group pension scheme of the defined contribution type. The assets of the scheme are held separately from those of The Institute in an independently administered fund. Contributions are charged to the income and expenditure account as and when they accrue. The pension cost charge disclosed in note 6 represents the contribution paid by The Institute to the fund.

2 Analysis of income

	2023	2022
	£	£
Grants and major donations	11,713,000	12,326,815
Other donations	309,841	7,277
	12,022,841	12,334,092

2 (i) Gifts in Kind

Gifts in Kind from Aga Khan Foundation (United Kingdom) (note 19)	6,423,889	6,244,758
	6,423,889	6,244,758

2 (ii) Other Income

Other income	21,597	1,457
	21,597	1,457

2 (iv) Income analysed by country

Switzerland	**11,713,000**	12,326,815
United Kingdom (including Gift in Kind)	**6,755,327**	6,253,492
	18,468,327	18,580,307

3 Analysis of Charitable Expenditure

FY 2023	Research and Academic Publications	Graduate Programmes	Library and Special Collections	2023 Total
	£	£	£	£
Direct Educational Expenditure	4,230,591	6,656,970	668,413	11,555,974
Support Costs	2,830,647	4,448,514	452,680	7,731,841
Governance Costs	67,936	106,900	10,734	185,570
	7,129,174	**11,212,384**	**1,131,827**	**19,473,385**

FY 2022	Research and Academic Publications	Graduate Programmes	Library and Special Collections	2022 Total
	£	£	£	£
Direct Educational Expenditure	4,036,183	5,877,483	534,204	10,447,870
Support Costs	2,702,891	3,914,686	361,304	6,978,881
Governance Costs	63,895	93,044	8,457	165,396
	6,802,969	**9,885,213**	**903,965**	**17,592,147**

4 Allocation of Support Costs and Governance costs

FY 2023	Research and Academic Publications	Graduate Programmes	Library and Special Collections	Governance Costs	2023 Total
	£	£	£	£	£
Legal and professional Fees	-	-	-	34,390	**34,390**
Staff costs	611,165	960,479	98,645	151,180	**1,821,469**
Other costs	2,219,482	3,488,035	354,035	-	**6,061,552**
Total Support and Governance costs	**2,830,647**	**4,448,514**	**452,680**	**185,570**	**7,917,411**

FY 2022	Research and Academic Publications	Graduate Programmes	Library and Special Collections	Governance Costs	2022 Total
	£	£	£	£	£
Legal and professional Fees	-	-	-	32,104	**32,104**
Staff costs	514,932	745,793	69,050	133,292	**1,463,067**
Other costs	2,187,959	3,168,893	292,254	-	**5,649,106**
Total Support and Governance costs	**2,702,891**	**3,914,686**	**361,304**	**165,396**	**7,144,277**

Included within support costs is Gifts in Kind of £4,377,754 (2022: £4,736,178) relating to market rental value and occupancy cost of the premises.

5 The net movement in funds for the year is stated after charging:

	2023 £	2022 £
Auditors' remuneration: audit fees	27,000	25,000
Auditors' remuneration: Secretarial and tax services	7,390	7,104
Depreciation of tangible fixed assets	78,369	73,335

6 Paid employees

(i) Staff Costs

	2023 £	2022 £
Permanent staff:		
Salaries and wages	6,306,595	5,634,066
Social security costs	681,956	630,761
Pension costs (defined contribution scheme)	630,170	547,475
Other costs	283,465	139,010
	7,902,186	6,951,312

Other costs includes severance payment for staff of £64,130 and benefits for the Director employed of £107,516 (2022: severance payment of £6,704 and benefit for the Co-director £0).

(ii) Salary Bands

The following number of employees received total remuneration in excess of £60,000 (excluding national insurance and employer pension contributions) within the bands shown:

	2023 £	2022 £
Band		
£60,000 to £69,999	**13**	9
£70,000 to £79,000	**4**	1
£80,000 to £89,999	**3**	4
£90,000 to £99,999	**1**	0
£125,000 to £129,999	**0**	1
£130,000 to £134,999	**1**	0
£135,000 to £139,999	**1**	1
£140,000 to £144,999	**1**	0
£215,000 to £219,999	**1**	0

(iii) Average head count in the year

The average number of full time employees during the year ended 31 December 2023 was 130 (2022: 125).

7 (i) Emoluments of key management

The emoluments of key management who are not The Institute's Trustees excluding employer's national insurance and pension contributions are:

	2023	2022
	£	£
Aggregate emoluments	**895,032**	904,625
Aggregate employer's contributions to pension scheme	**78,751**	83,839

Key management are also the beneficiaries of The Institute's pension scheme under which contributions are made to a defined contribution pension plan.

Remuneration and benefits paid to the Director of The Institute were £321,667 (2022: £136,098) and pension contributions of £21,415 (2022: £10,000).

The Director's basic salary and total remuneration was 4.4 times (2022: 3.1 times) and 6.4 times (2022: 3.1 times) the median pay and median total remuneration of staff respectively. The median pay is calculated on a full time equivalent basis for the basic salaries and total remuneration paid by The Institute to its staff.

7 (ii) Trustees Remuneration and Expenses

Trustees may be reimbursed for travel and subsistence properly incurred on The Institute's affairs and The Institute can make similar payments directly to third parties on behalf of Trustees. The charity did not reimburse Trustees for any expenses in the year.

8 Tangible fixed assets

	Office Equipment	Books	Heritage Assets	Total
	£	£	£	£
Costs				
At 1 January 2023	917,695	868,858	196,250	**1,982,803**
Additions	64,575	25,004	5,800	**95,379**
Disposal	-	-	-	-
At 31 December 2023	**982,270**	**893,862**	**202,050**	**2,078,182**
Depreciation				
At 1 January 2023	880,387	814,004	-	**1,694,391**
Charge for the year	51,526	26,843	-	**78,369**
Elimination on disposal	-	-	-	-
At 31 December 2023	**931,913**	**840,847**	**-**	**1,772,760**
Net book value				
At 31 December 2023	**50,357**	**53,015**	**202,050**	**305,422**
At 31 December 2022	37,308	54,854	196,250	288,412

All assets are held for charitable purposes.

The Institute was donated certain manuscripts between 2011 and 2015. In 2022, these donated manuscripts were valued by an independent valuer and their fair value was determined at £1.26m. The Trustees are of the view that these manuscripts will continue to be used for research by The Institute and The Institute will follow the accounting recognition principle referred in note 1(i).

9 Debtors: amount falling due within one year (except for note below)

	2023	2022
	£	£
Amount owed by Islamic Publications Limited (related party)	534,213	489,397
Prepayments	712,900	1,227,407
Other debtors	188,828	201,893
	1,435,941	**1,918,697**

The amount owed by the related party is unsecured, interest free and has no fixed repayment terms. Included in other debtors is an amount of £93,468 owed by Aga Khan Foundation (United Kingdom).

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Analysis of creditors		
Trade and other creditors	1,344,395	623,743
Accruals	317,784	233,357
	1,662,179	857,100

11 Share capital: authorised, issued and fully paid:

	2023 £	2022 £
100 ordinary shares of £1 each	**100**	100

According to the Articles of Association the liability of the members is limited by guarantee. In addition, the charitable company is precluded from making any distributions to members either by way of a dividend or on a winding up.

12 (i) Unrestricted funds

	2023 £	2022 £
1 January	**2,719,138**	1,730,978
Net movement in funds	**(1,005,058)**	988,160
31 December	**1,714,080**	2,719,138

12 (ii) Reconciliation of movements in funds:

	2023 £	2022 £
Net movement in funds	**(1,005,058)**	988,160
Funds brought forward	**2,719,238**	1,731,078
Funds carried forward	**1,714,180**	2,719,238

Represented by:	2023 £	2022 £
Tangible fixed assets	**305,422**	288,412
Current assets	**3,070,937**	3,287,926
Current liabilities	**(1,662,179)**	(857,100)
Balance at 31 December	**1,714,180**	2,719,238

13 Total funds

The accumulated surplus shown in the balance sheet includes specific grants received to date which have been applied by the Board of Trustees in the purchase of fixed assets for the use of The Institute and in the publication and distribution of religious and cultural education books and for other accumulated expenditure. Any unutilised grant received will be used during the following year for that year's expenditure and to cover expenditure in future years. The Board of Trustees, therefore, and in accordance with The Institute's Articles of Association, regard the accumulated surplus as being unrestricted funds for use in furtherance of the charity's objectives.

14 Taxation

The Institute of Ismaili Studies became a charity on 10 July 2018. Prior to this date, it was liable to Corporation tax. From the 10 July 2018 onwards the charity is no longer liable for Corporation tax on income derived from its activities, as these fall within the various exemptions available to charities.

15 Pension

The Institute of Ismaili Studies operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by The Institute of Ismaili Studies to the scheme and amounted to £630,170. (2022: £547,475).

16 Reconciliation of (deficit)/surplus to net cash inflow from operating activities

	2023 £	2022 £
Net (expenditure)/income	**(1,005,058)**	988,160
Depreciation on tangible fixed assets	**78,369**	73,335
Increase in creditors	**805,079**	143,081
Decrease/(increase) in debtors	**482,756**	(470,734)
Net cash inflow from operating activities	**361,146**	733,842

17 Cash and cash equivalents

	2023 £	2022 £
Changes in the year		
At 1 January	**1,369,229**	707,315
Net increase in cash	**265,767**	661,914
At 31 December	**1,634,996**	1,369,229

18 Capital expenditure

	2023 £	2022 £
Purchase of tangible assets	**95,379**	71,928
Net cash outflow for capital expenditure	**95,379**	71,928

19 Related party transactions

Income includes £8,713,000 (2022: £10,126,815) of grants received from Aga Khan University Foundation (AKUF), £3,000,000 (2022: £2,200,000) of grants received from His Highness the Aga Khan, Trustee and a shareholder of the charity and £93,468 (2022: £0) from Aga Khan Foundation (United Kingdom).

Included within expenditure is £180,839 (2022: £109,391) relating to the purchase of publications from Islamic Publications Limited (IPL), a company that has a number of common Directors/Trustees with The Institute of Ismaili Studies. The Institute has a debtor of £534,213 (2022: £489,397) from IPL, details of which are set out in note 9 to these accounts.

The Gifts in Kind figure of £6,423,889 consists of the market rental value and occupancy costs of the premises and student accommodation (2022: £6,224,758), which are owned by Aga Khan Foundation (United Kingdom). An equivalent amount is included in expenditure.

20 Ultimate holding company and controlling parties

Aga Khan Foundation, a foundation registered in Switzerland, has a 98% interest (representing 98 shares) in the equity capital of The Institute of Ismaili Studies. It is the immediate, ultimate and controlling parent company. The remaining two shares are held as follows: one share is held by His Highness the Aga Khan and the remaining share is held by Aga Khan Foundation (United Kingdom).

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THE INSTITUTE OF ISMAILI STUDIES

England & Wales - Charity number 1179135

Accounts

The Institute of Ismaili Studies

Report of the charity and Financial Statements

for the Year Ended 31 December 2022

Company number: 01324858
Registered Charity number: 1179135

The Institute of Ismaili Studies

Annual Report for the Year Ended 31 December 2022

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Reference and Administrative information

Directors and Trustees

The Board of Trustees, who are also Directors for Companies Act purposes, at the date on which the financial statements were approved and the Committee of the Board of Trustees that they served on during the financial year were as follows:

His Highness the Aga Khan
Mr Naguib Kheraj (a)
Mr Habib Motani (a)
Mrs Karina Govindji (a)

(a) Board of Governors Committee

Board of Governors
Professor Ali Asani
Dr Farhad Daftary (appointed January 2023)
Mrs Karina Govindji
Dr Arif Jamal
Dr Nadia Eboo Jamal
Mr Rahim Karim
Mr Alykhan Kassam
Mr Amyn Kassim-Lakha
Professor Tashmin Khamis
Mr Naguib Kheraj
Dr Sharofat Mamadambarova
Dr Shogufa Mir Malekyar
Mr Habib Motani
Professor Nacim Pak-Shiraz
Professor Farid F. Panjwani

Secretary
Mr Habib Motani

Registered Office
Aga Khan Centre
10 Handyside Street
King's Cross
London, N1C 4DN

Registered Auditors
UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London, E1W 1YW

Bankers
Lloyd's Bank
Victoria House
Southampton Row
London WC1B 5HR

Company number: 01324858
Registered Charity number: 1179135

Report of the Trustees for the year ended 31 December 2022

The Trustees have pleasure in submitting their report and the accounts for the year ended 31 December 2022.

ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 (FRS102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trustees have ultimate responsibility for all aspects of the work of The Institute of Ismaili Studies ("The Institute", "IIS" or "the charity"): its academic, financial and investment policies and strategic direction. In 2022, they delegated the day-to-day management of The Institute to its Co-Director, Dr Farhad Daftary, who operated through his departmental heads. The co-ordination of the work of The Institute was the responsibility of the Co-Director. The Trustees participated in the strategic decision-making processes of The Institute through the Co-Director and the system of committees and sub-committees.

During 2022, a succession planning process was undertaken for the position of Director and after an international search, Professor Zayn Kassam was appointed as Director of The Institute from January 2023. On his stepping down from the role as Co-Director, the lifetime title of Director Emeritus was conferred on Dr. Daftary and he was appointed to the Board of Governors.

Governing document

The Institute of Ismaili Studies is a company limited by guarantee with share capital and was incorporated on 9 August 1977. It became a registered charity on 10 July 2018. The objects and powers of The Institute were established in its Memorandum of Association and it is governed by its Articles of Association as amended by special resolution on 2 July 2018.

Key Management Personnel

The charity's Trustees, its committees and sub-committees, the Co-Director/Director and the departmental heads comprise the key management personnel of the charity in charge of directing, controlling and running the charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration for their roles in the year.

The pay of all staff is reviewed annually by the Human Resource Committee before being reported to the Board. Pay increases take into account performance, promotions, inflation and cross sector pay levels.

Trustees Induction and Training

Trustees are appointed by the holder(s) of a simple majority of the issued share capital of The Institute. Arrangements are made to ensure that Trustees are aware of the aims and objectives of the charity and their responsibilities.

Principal Risks and Uncertainties

The Trustees have assessed and continue to reassess the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity. The major risks facing IIS are i) the loss of key academics and faculty staff, who cannot be readily replaced due to IIS operating in a specialised field, ii) significant damage to the holdings of the library and the Ismaili Collections due to fire, flooding or other risks, and iii) the inability to recruit students due to UK immigration constraints. The high level of inflation in the UK and its possible impact on the charity's future plans and budgets and actual results for the year ending 31 December 2022 has been considered.

Related Parties

The Institute owns no subsidiary companies but itself is owned 98% by the Aga Khan Foundation, a registered foundation in Switzerland. The Institute has common interests with Aga Khan University Foundation, Aga Khan Foundation (United Kingdom) and Islamic Publications Limited.

Report of the Trustees for the year ended 31 December 2022 (continued)

OBJECTIVES, ACTIVITIES AND ACHIEVEMENTS OF THE CHARITY

Aims and Objectives

The objects of the charity are, for the public benefit, to assist in the advancement of education and learning or any other exclusively charitable object (under the laws of England and Wales), including (without limiting the generality of the foregoing):

to encourage, extend, increase, disseminate and promote knowledge of, and to promote, conduct and support research (including through the dissemination of the useful results of such research) into, the religious, spiritual and cultural heritage of the Shia Imami Ismaili Tariqah of Islam, and to conduct and support research into any other religious faiths, beliefs or practices and to disseminate the useful results thereof; and

to establish, carry on, and support the educational institution known by the charity's name and such other educational institutions and programmes as the Board of Trustees sees fit.

2022 was another volatile year in terms of disruption; the year started with COVID related restrictions in the UK and although The Institute resumed face to face teaching and a normal pattern of activity during the year, the incidence of COVID remained high in the first half of the year. Increased inflation In 2022 contibuted towards higher cost towards the latter part of the year and it is foreseen to have an impact in 2023.

Public benefit

The Institute, through its governing body, the Board of Trustees, is aware of its responsibilities as a charity to act for the public benefit across its activities and has had due regard to the latest version of the Charity Commission's public benefit guidance. The Institute endeavours to advance education and knowledge of Muslim societies and civilisations through learning, teaching and research for the benefit of individuals and society. It contributes to the development of professionals and scholars who have a broader, deeper and critical understanding of Islam and its diverse expressions in the modern contemporary context. As a result, scholars are better equipped to promote understanding and social cohesion amongst diverse communities in society and to analyse theological, social, economic and educational problems faced by contemporary societies, offering creative solutions to address them.

Location

The Institute is located in a purpose-designed home at the Aga Khan Centre in London's King's Cross, where it is co-located with The Aga Khan University (International) in the United Kingdom and the Aga Khan Foundation (United Kingdom). The Aga Khan Centre is a place for education, knowledge, cultural exchange and insight into Muslim civilisations. The organisations that are located there work together to bridge the gap in understanding about Muslim cultures and their diversity as well as to connect the public to global development issues. The three institutions host a variety of events, exhibitions and talks that are open to the public.

Research and Academic Publications

In 2022, The Institute published four academic books in English i) Central Asian Ismailis ii) The Emergence of Shi'i Sufism iii) Test Scribes and Transmission iv) the Renaissance of Shi'i Islam and one accessible publication titled The Fatimids:2. The institute also published four translations, mainly of accessible publications. The Institute is conducting various research projects, which will lead to publications. Among these are projects on important international heritage sites, diverse cultural and religious practices and ethics as well as the analysis of its unique collections of historical manuscripts. The Institute's development and production of curriculum materials for children, now available in 10 languages continued and some of these education materials are now available on The Institute's eBook platform following a successful pilot. In 2022, The Institute convened and hosted a major international conference on Ismaili Studies, which highlighted the contributions of The Institute to this field.

Graduate Programmes
The Institute provides two graduate programmes: the Graduate Programme in Islamic Studies and Humanities (GPISH) and the Secondary Teacher Education Programme (STEP), both of which result in the award of an MA validated by SOAS University of London. The Secondary Teacher Education Programme is also conducted in conjunction with University College London (UCL) and in addition to the MA, successful graudates are awarded a PGDip from UCL. During 2022, The Institute's two MA programmes were the subject of an Institutional Review with SOAS, with a view to the continuation of the validation with SOAS following completion of the current term of these arrangments.

The Institute registered with the Office for Students in 2019 and has a Quality Assurance function which works with the Board and Senior Management to ensure that The Institute is cognisant of its compliance responsibilities and informed of evolving trends in higher education.

Aga Khan Library

The Aga Khan Library is jointly operated by The Institute along with The Aga Khan University (International) in the United Kingdom. In 2022, there was a significant increase in the library collection with more than 1037 new print titles, continued electronic access to more than 80,000 ebooks and over 65 digital subscriptions to important journals and databases to support research and teaching. In 2022, the Library reinforced its ties with several book distributors in order to strengthen its South Asian collection. As part of a more robust outreach programme, the Library promotes its collections through a Spotify profile, the Aga Khan Library Movie Nights, and a fortnightly acquisition bulletin, while maintaining a very active reference service. This reference service delivered more than 35 in-depth training sessions specifically designed for STEP and GPISH students, in addition to offering an on-demand training plan with year-round online bookable sessions.

FINANCIAL REVIEW

The financial position of The Institute of Ismaili Studies is set out on pages 8 to 19. In summary, The Institute's total income in 2022 amounted to £18.6m (2021: £15.7m) with expenditure of £17.6m (2021: £15.7m). The annual surplus was £1.0m (2021: £0.1m). The resulting cumulative funds balance carried forward was £2.7m (2021: £1.7m) which will be used to fund future charitable activities. The Trustees consider that the level of reserves is satisfactory, and that sufficient progress has been and continues to be made to achieve the charity's objectives.

Reserves
The Institute does not consider it necessary to hold significant levels of reserves due to the commitment of the current funders to invest in the ongoing charitable objectives of The Institute. The Trustees consider that the current level of reserves, together with the continued access to grant funding, are sufficient to maintain the short, medium, and long-term sustainability of The Institute, and to enable The Institute to operate.

Fundraising and Funding Sources
The Institute's principal sources of funding are the Aga Khan University Foundation, Aga Khan Foundation (United Kingdom) and His Highness the Aga Khan. The Institute also received unsolicited donations from individuals in the Ismaili community for which it is extremely thankful. There was no expenditure relating to fundraising as The Institute did not actively fundraise in the year.

Investment Policy

The objective of The Institute of Ismaili Studies is to draw down sufficient grants from its regular sources each month to meet the needs of its monthly expenditure.

Trustees' responsibilities for the Financial Statements

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 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 proper accounting records that disclose with reasonable accuracy 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 charity's governing documents. 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 breaches of law and regulations.

The Trustees are responsible for the maintenance and integrity of the charity as well as the 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.

PLANS FOR FUTURE PERIODS

The Institute will continue to develop and support its research, learning and educational programmes and other initiatives as the Board of Trustees sees fit in pursuance of its objectives. Currently, The Institute is in the process of developing a new ten-year strategy that is aimed to assess the current state of resource allocations and the desired future priorities and objectives. The Institute is now gradually returning to a more normal state of working, following the disruption of the COVID-19 situation. The Institute has a stable financial basis and it expects to continue to benefit from ongoing and consistent funding support in 2023 and beyond.

N Kheraj
Director and Trustee

25 May 2023

Independent Auditor's report to the Trustees of The Institute of Ismaili Studies

Opinion

We have audited the financial statements of The Institute of Ismaili Studies ('the charity') for the year ended 31 December 2022, which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)".

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC's) Ethical Standard, and we *have* fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date the financial statements are authorised for issue.

The other information comprises the information included in the annual report, including the Trustees' report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's report to the Trustees of The Institute of Ismaili Studies

(continued)

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement on page 5, the Trustees are responsible for the preparation of financial statements which give a true and fair view. and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to.continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. We evaluated trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated income.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, ·enquiries of management and review of internal reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of *not* detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its members as a body, for our audit work, for this report, or for the opinions we have formed.

UHY Hacker Young *Colin Wright*

Colin Wright (Senior Statutory Auditor) for and on behalf of UHY Hacker Young
Chartered Accountants
Statutory Auditor

26 May 2023

Quadrant House
4 Thomas More Square
London E1W 1YW

Statement of Financial Activities

for the year ended 31 December 2022

	Notes	Total 2022 £	Total 2021 £
Incoming resources			
Income from Donations and Legacies:			
Grants and donations	2,19	**12,334,092**	10,576,000
Gift in Kind	2, 19	**6,244,758**	5,117,731
Other income	2	**1,457**	320
Total		**18,580,307**	15,694,051
Resources expended			
Expenditure on:			
Charitable activities	3	**17,592,147**	15,638,580
Total		**17,592,147**	15,638,580
Surplus for the year	12	**988,160**	55,471
Reconciliation of funds:			
Total Funds brought forward		**1,731,078**	1,675,607
Total Funds carried forward		**2,719,238**	1,731,078

All of the above results are derived from continuing activities. There were no recognised gains or losses and no restricted funds.

The notes on pages 11 to 19 form part of these financial statements.

Balance Sheet

as at 31st December 2022

	Notes	31 December 2022		31 December 2021	
		£	£	£	£
Fixed assets					
Tangible assets	8	**92,162**		110,026	
Heritage assets	8	**196,250**		179,793	
Total fixed assets			**288,412**		289,819
Current assets					
Debtors	9	**1,918,697**		1,447,963	
Cash at bank and in hand	17	**1,369,229**		707,315	
Total current assets		**3,287,926**		2,155,278	
Creditors: amounts falling due within one year	10	**(857,100)**		(714,019)	
Net current assets			**2,430,826**		1,441,259
Net assets			**2,719,238**		1,731,078
Share capital and reserves					
Called up share capital	11		**100**		100
Funds of the charity					
Unrestricted funds	12		**2,719,138**		1,730,978
Total funds			**2,719,238**		1,731,078

The notes on pages 11 to 19 form part of these financial statements. Company Number: 01324858

The financial statements were approved by the Trustees on 25 May 2023 and were signed on their behalf by:

N. Kheraj
Director and Trustee

Cash Flow Statement for the Year Ended 31 December 2022

	Notes	2022 £	2021 £
Net cash inflow from operating activities	16	**733,842**	292,258
Cash flow from investing activities			
Purchase of tangible assets	8	**(71,928)**	(100,907)
Net cash used in investing activities		**(71,928)**	(100,907)
Net increase in cash	17	**661,914**	191,351
Cash at beginning of year		**707,315**	515,964
Cash at the end of the year	17	**1,369,229**	707,315
Cash consists of:			
Cash at bank and in hand	17	**1,369,229**	707,315

The notes on pages 11 to 19 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 December 2022

1 Accounting policies

Charity and Company Information

The Institute of Ismaili Studies is a Public Benefit Entity, registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 9 August 1977 (Company Number: 01324858) and registered as a charity on 10 July 2018 (Charity Number: 1179135).

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Financial Reporting Standard, applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland - 2019. The principal accounting policies, which have been applied consistently throughout the periods shown, are set out below. The reasons for preparing these financial statements on the going concern basis are set out in the Trustees' report.

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the charity's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed below.

a) Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. In making this assessment the Trustees have considered the potential impact of cost of living increases and high CPI inflation in the UK and are satisfied that The Institute will be supported by its existing funding sources. For this reason the Trustees continue to adopt the going conern basis in preparing these financial statements.

b) Incoming resources

Grants, donations and other income are recognised in the period in which The Institute receives them and the amount can be measured with sufficient reliability.

c) Resources expended and irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

d) Apportionment of costs by activity

Overhead and support costs are allocated first between those that pertain to The Institute's charitable activities and those that support those activities. Overhead and support costs have been apportioned based on the value of the costs within the activity centres as that is deemed to be the most accurate basis of allocation.

e) Cost of generating funds

The Institute did not incur any cost in relation to generating funds since it did not undertake any fundraising activities in the year.

f) Charitable activities

Costs of charitable activities that drive the attainment of The Institute's educational objectives, including the apportionment of overheads and support costs, are shown in notes 3 and 4.

g) Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

h) Fund accounting

The Institute only receives unrestricted donations and grants and does not hold any income funds.

i) Fixed assets

Fixed assets are stated at cost, less accumulated depreciation. Cost includes the original purchase price and costs directly attributable to bringing the assets to their intended use. Assets received by way of donations are stated at a reasonable market value at the time of the donation. Fixed assets with an acquisition cost of less than £500 are not capitalised.

Provision for depreciation is made so as to write off the value of fixed assets on a straight line basis over the expected useful economic life of the assets concerned. A full year's depreciation is charged in the year of purchase. The principal annual rates used for this purpose are:

	%
Furniture, fixtures & fittings	10
Office machinery and equipment	33
Intangible fixed assets (software)	14
Heritage Assets	Nil

No depreciation has been charged on Heritage Assets bought or donated since the Trustees believe that their residual value is always expected to be at least equal to the cost and that there has been no impairment in their carrying value.

j) Taxation

As a registered charity The Institute of Ismaili Studies is not liable for UK corporation tax.

k) Foreign currencies

(i) Functional and presentation currency

The institute's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

l) Pension

The Institute participates in a group pension scheme of the defined contribution type. The assets of the scheme are held separately from those of The Institute in an independently administered fund. Contributions are charged to the income and expenditure account as and when they accrue. The pension cost charge disclosed in note 6 represents the contribution paid by The Institute to the fund.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

2 Analysis of income

	2022 £	2021 £
Grants and major donations	12,326,815	10,576,000
Other donations	7,277	-
	12,334,092	10,576,000

2 (i) Gifts in Kind

Gifts in Kind from Aga Khan Foundation (United Kingdom) (note 19)	6,244,758	5,117,731
	6,244,758	5,117,731

2 (ii) Other Income

Other income	1,457	320
	1,457	320

2 (iv) Income analysed by country

Switzerland	**12,326,815**	10,576,000
United Kingdom (including Gift in Kind)	**6,253,492**	5,118,051
	18,580,307	15,694,051

3 Analysis of Charitable Expenditure

	Research and Academic Publications	Graduate Programmes	Library and Special Collections	2022 Total	2021 Total
	£	£	£	£	£
Direct Educational Expenditure	4,036,183	5,877,483	534,204	10,447,870	8,891,550
Support Costs	2,702,891	3,914,686	361,304	6,978,881	6,680,789
Governance Costs	63,895	93,044	8,457	165,396	66,241
	6,802,969	**9,885,213**	**903,965**	**17,592,147**	15,638,580

4 Allocation of Support Costs and Governance costs

	Research and Academic Publications	Graduate Programmes	Library and Special Collections	Governance Costs	2022 Total	2021 Total
	£	£	£	£	£	£
Legal and professional Fees	-	-	-	32,104	**32,104**	26,993
Staff costs	514,932	745,793	69,050	133,292	**1,463,067**	1,453,646
Other costs	2,187,959	3,168,893	292,254	-	**5,649,106**	5,266,391
Total Support and Governance costs	**2,702,891**	**3,914,686**	**361,304**	**165,396**	**7,144,277**	6,747,030

Included within support costs is Gifts in Kind of £4,736,178 (2021: £4,591,347) relating to market rental value and occupancy cost of the premises (note 19).

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

5 The net movement in funds for the year is stated after charging:

	2022 £	2021 £
Auditors' remuneration: audit fees	25,000	24,343
Auditors' remuneration: Secretarial and tax services	7,104	2,650
Depreciation of tangible fixed assets	73,335	80,466

6 Paid employees

(i) Staff Costs

	2022 £	2021 £
Permanent staff:		
Salaries and wages	5,634,066	5,212,286
Social security costs	630,761	568,723
Pension costs (defined contribution scheme)	547,475	524,078
Other costs	112,634	284,147
	6,924,936	6,589,234

Other costs includes severance payment of £6,704 (2021: accrual release £33,563).

(ii) Salary Bands

The following number of employees received total remuneration in excess of £60,000 (excluding national insurance and employer pension contributions) within the bands shown:

	2022 £	2021 £
Band		
£60,000 to £69,999	**9**	6
£70,000 to £79,000	**1**	3
£80,000 to £89,999	**4**	4
£125,000 to £129,999	**1**	1
£130,000 to £134,999	**0**	1
£135,000 to £139,999	**1**	0

(iii) Average head count in the year

The average number of full time employees during the year ended 31 December 2022 was 125 (2021: 124)

7 (i) Emoluments of key management

The emoluments of key management who are not The Institute's Trustees excluding employer's national insurance and pension contributions are:

	2022	2021
	£	£
Aggregate emoluments	**904,625**	984,922
Aggregate employer's contributions to pension scheme	**83,839**	94,853

Key management were the beneficiaries of The Institute's pension scheme under which contributions are made to a defined contribution scheme.

Remuneration of £136,098 (2021: £130,327) was paid to the Co-Director in relation to his employment by The Institute. The Institute also paid Pension contributions of £10,000 (2021: £10,000) in relation to the Co-Director.

7 (ii) Trustees Remuneration and Expenses

Trustees may be reimbursed for travel and subsistence properly incurred on The Institute's affairs and The Institute can make similar payments directly to third parties on behalf of Trustees. The charity did not reimburse Trustees for any expenses in the year.

8 Tangible fixed assets

	Office Equipment	Books	Heritage Assets	Total
	£	£	£	£
Costs				
At 1 January 2022	939,890	835,193	179,793	**1,954,876**
Additions	21,806	33,665	16,457	**71,928**
Disposal	(44,001)	-	-	(44,001)
At 31 December 2022	**917,695**	**868,858**	**196,250**	**1,982,803**
Depreciation				
At 1 January 2022	877,768	787,289	-	**1,665,057**
Charge for the year	46,620	26,715	-	**73,335**
Elimination on disposal	(44,001)	-	-	(44,001)
At 31 December 2022	**880,387**	**814,004**	**-**	**1,694,391**
Net book value				
At 31 December 2022	**37,308**	**54,854**	**196,250**	**288,412**
At 31 December 2021	62,122	47,904	179,793	289,819

All assets are held for charitable purposes.

9 Debtors: amount falling due within one year (except for note below)

	2022	2021
	£	£
Amount owed by Islamic Publications Limited (related party)	489,397	412,206
Prepayments	1,227,407	970,486
Other debtors	201,893	65,271
	1,918,697	1,447,963

The amount owed by the related party is unsecured, interest free and has no fixed repayment terms.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

10 Creditors: amounts falling due within one year

	2022	2021
	£	£
Analysis of creditors		
Trade and other creditors	623,743	536,604
Accruals	233,357	177,415
	857,100	714,019

11 Share capital: authorised, issued and fully paid:

	2022	2021
	£	£
100 ordinary shares of £1 each	**100**	100

According to the Articles of Association the liability of the members is limited. In addition, the charitable company is precluded from making any distributions to members either by way of a dividend or on a winding up.

12 (i) Unrestricted funds

	2022	2021
	£	£
1 January	**1,730,978**	1,675,507
Surplus for the financial year	**988,160**	55,471
31 December	**2,719,138**	1,730,978

12 (ii) Reconciliation of movements in funds:

	2022	2021
	£	£
Surplus for the financial year	**988,160**	55,471
Funds brought forward	**1,731,078**	1,675,607
Funds carried forward	**2,719,238**	1,731,078

Represented by:

	2022	2021
	£	£
Tangible fixed assets	**288,412**	289,819
Current assets	**3,287,926**	2,155,278
Current liabilities	**(857,100)**	(714,019)
Balance at 31 December	**2,719,238**	1,731,078

13 Total funds

The accumulated surplus shown in the balance sheet includes specific grants received to date which have been applied by the Board of Trustees in the purchase of fixed assets for the use of The Institute and in the publication and distribution of religious and cultural education books and for other accumulated expenditure. Any unutilised grant received will be used during the following year for that year's expenditure and to cover expenditure in future years. The Board of Trustees, therefore, and in accordance with The Institute's Articles of Association, regard the accumulated surplus as being unrestricted funds for use in furtherance of the charity's objectives.

14 Taxation

The Institute of Ismaili Studies became a charity on 10 July 2018. Prior to this date, it was liable to Corporation tax. From the 10 July 2018 onwards the charity is no longer liable for Corporation tax on income derived from its activities, as these fall within the various exemptions available to charities.

15 Pension

The Institute of Ismaili Studies operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by The Institute of Ismaili Studies to the scheme and amounted to £547,475. (2021: £524,078).

16 Reconciliation of operating net (expenditure) / income to net cash flow from operating activities

	2022 £	2021 £
Net income	**988,160**	55,471
Depreciation on tangible fixed assets	**73,335**	80,466
Increase / (decrease) in creditors	**143,081**	(37,017)
(Increase) / decrease in debtors	**(470,734)**	193,338
Net cash inflow from operating activities	**733,842**	292,258

17 Cash and cash equivalents

	2022 £	2021 £
Changes in the year		
At 1 January	**707,315**	515,964
Net cash inflow from operating and investing activities	**661,914**	191,351
At 31 December	**1,369,229**	707,315

18 Capital expenditure

	2022 £	2021 £
Purchase of tangible assets	**71,928**	100,907
Net cash outflow for capital expenditure	**71,928**	100,907

19 Related party transactions

Income represents £10,126,815 (2021: £8,326,000) of grants received from Aga Khan University Foundation (AKUF) and £2,200,000 (2021: £2,250,000) of grants received from His Highness the Aga Khan, Trustee and a shareholder of the charity.

Included within expenditure is £109,391 (2021: £81,204) relating to the purchase of publications from Islamic Publications Limited (IPL), a company that has a number of common Directors/ Trustees with The Institute of Ismaili Studies. The Institute has a debtor of £489,397 (2021: £412,206) from IPL, details of which are set out in note 9 to these accounts.

The Gifts in Kind figure of £6,244,758 consists of the market rental value and occupancy costs of the premises and student accommodation (2021: £5,117,731- consisted of market rental value and occupancy cost of the premises and the occupancy cost of the student accomodation), which are owned by Aga Khan Foundation (United Kingdom). The equivalent is included in expenditure.

20 Ultimate holding company and controlling parties

Aga Khan Foundation, a foundation registered in Switzerland, has a 98% interest (representing 98 shares) in the equity capital of The Institute of Ismaili Studies. It is the immediate, ultimate and controlling parent company. The remaining two shares are held as follows: one share is held by His Highness the Aga Khan and the remaining share is held by Aga Khan Foundation (United Kingdom).

THE INSTITUTE OF ISMAILI STUDIES

England & Wales - Charity number 1179135

Accounts

The Institute of Ismaili Studies

Report of the charity and Financial Statements

for the Year Ended 31 December 2021

Company number: 01324858
Registered Charity number: 1179135

The Institute of Ismaili Studies

Annual Report for the Year Ended 31 December 2021

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Reference and Administrative information

Directors and Trustees

The Board of Trustees, who are also Directors for Companies Act purposes, at the date on which the financial statements were approved and the Committee of the Board of Trustees that they served on during the financial year were as follows:

His Highness the Aga Khan
Mr Naguib Kheraj (a)
Mr Habib Motani (a)
Mrs Karina Govindji (a)

(a) Board of Governors Committee

Board of Governors
Professor Ali Asani
Dr Nadia Eboo Jamal
Mrs Karina Govindji
Dr Arif Jamal
Mr Rahim Karim
Mr Alykhan Kassam
Mr Amyn Kassim-Lakha
Professor Tashmin Khamis
Mr Naguib Kheraj
Dr Sharofat Mamadambarova
Dr Shogufa Mir Malekyar
Mr Habib Motani
Professor Nacim Pak-Shiraz
Professor Farid F. Panjwani

Secretary
Mr Habib Motani

Registered Office
Aga Khan Centre
10 Handyside Street
King's Cross
London, N1C 4DN

Registered Auditors
UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London, E1W 1YW

Bankers
Lloyd's Bank
Victoria House
Southampton Row
London WC1B 5HR

Company number: 01324858
Registered Charity number: 1179135

Report of the Trustees for the year ended 31 December 2021

The Trustees have pleasure in submitting their report and the accounts for the year ended 31 December 2021.

ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 (FRS102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trustees have ultimate responsibility for all aspects of the work of The Institute of Ismaili Studies ("The Institute", "IIS" or "the charity"): its academic, financial and investment policies and strategic direction. They delegate the day-to-day management of The Institute to its Co-Director, Dr Farhad Daftary, who operates through his departmental heads. The co-ordination of the work of The Institute is the responsibility of the Co-Director. The Trustees participate in the strategic decision-making processes of The Institute through the Co-Director and the system of committees and sub-committees.

Governing document

The Institute of Ismaili Studies is a company limited by guarantee with share capital and was incorporated on 9 August 1977. It became a registered charity on 10 July 2018. The objects and powers of The Institute were established in its Memorandum of Association and it is governed by its Articles of Association as amended by special resolution on 2 July 2018.

Key Management Personnel

The charity’s Trustees, Board of Governors, the Co-Director and the departmental heads comprise the key management personnel of the charity in charge of directing, controlling and running the charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration for their roles in the year. On 13 December 2020 new Trustees and a new Board of Governors were appointed - there is now a larger and more diverse Board of Governors.

The pay of all staff is reviewed and finalised annually by the Human Resource Committee before being reported to the Board. Pay increases take into account performance, promotions, inflation and cross sector pay levels.

Trustees Induction and Training

Trustees are appointed by the holder(s) of a simple majority of the issued share capital of The Institute. Arrangements are made to ensure that Trustees are aware of the aims and objectives of the charity and their responsibilities.

Principal Risks and Uncertainties

The Trustees have assessed and continue to reassess the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity. The major risks facing IIS are i) the loss of key academics and faculty staff, who cannot be readily replaced due to IIS operating in a specialised field, ii) significant damage to the holdings of the library and the Ismaili Collections due to fire or flooding, and iii) the inability to recruit students due to UK immigration constraints. The impact of COVID-19 and its possible impact on the charity’s future plans and budgets and actual results for the year ending 31 December 2021 has been considered.

Related Parties

The Institute owns no subsidiary companies but itself is owned 98% by the Aga Khan Foundation, a registered foundation in Switzerland. The Institute has common interests with Aga Khan University Foundation, Aga Khan Foundation (United Kingdom) and Islamic Publications Limited.

Report of the Trustees for the year ended 31 December 2021 (continued)

OBJECTIVES, ACTIVITIES AND ACHIEVEMENTS OF THE CHARITY

Aims and Objectives

The objects of the charity are, for the public benefit, to assist in the advancement of education and learning or any other exclusively charitable object (under the laws of England and Wales), including (without limiting the generality of the foregoing):

to encourage, extend, increase, disseminate and promote knowledge of, and to promote, conduct and support research (including through the dissemination of the useful results of such research) into, the religious, spiritual and cultural heritage of the Shia Imami Ismaili Tariqah of Islam, and to conduct and support research into any other religious faiths, beliefs or practices and to disseminate the useful results thereof; and

to establish, carry on, and support the educational institution known by the charity's name and such other educational institutions and programmes as the Board of Trustees sees fit.

Public benefit

The Institute, through its governing body, the Board of Trustees, is aware of its responsibilities as a charity to act for the public benefit across its activities and has had due regard to the latest version of the Charity Commission's public benefit guidance. The Institute endeavours to advance education and knowledge of Muslim societies and civilisations through learning, teaching and research for the benefit of individuals and society. It contributes to the development of professionals and scholars who have a broader, deeper and critical understanding of Islam and its diverse expressions in the modern contemporary context. As a result, scholars are better equipped to promote understanding and social cohesion amongst diverse communities in society and to analyse theological, social, economic and educational problems faced by contemporary societies, offering creative solutions to address them.

Location

The Institute is located in a purpose-designed permanent home at the Aga Khan Centre in London's King's Cross, where it is co-located with The Aga Khan University (International) in the United Kingdom and the Aga Khan Foundation (United Kingdom). The Aga Khan Centre is a place for education, knowledge, cultural exchange and insight into Muslim civilisations. The organisations that are located there work together to bridge the gap in understanding about Muslim cultures and their diversity as well as to connect the public to global development issues. The three institutions host a variety of events, exhibitions and talks that are open to the public.

Research and Academic Publications

In 2021, we continued to experience the impact of the Coronavirus pandemic. Nonetheless, The Institute published six books in English, including Ismaili Festivals, the first title in the new Living Ismaili Traditions series, and An Anthology of Quranic Commentaries: Vol. 2 Verses on Women which addresses critical issues around Quranic verses relating to women. We also published five translations and one audiobook. The Institute is conducting around 20 research projects, which will lead to publications. Among these are projects on important international heritage sites, diverse cultural and religious practices and ethics as well as the analysis of its unique collections of historical manuscripts. The Institute's development and production of curriculum materials for children, translated into 10 languages, continued and we piloted a subscription platform for eBook editions. The Institute also convened two international academic conferences online.

Graduate Programmes

The Institute has a partnership agreement with SOAS University of London for validation of The Institute's two graduate programmes: the Graduate Programme in Islamic Studies and Humanities (GPISH) and the Secondary Teacher Education Programme (STEP). The first cohorts of students to benefit from this validation agreement were admitted in 2019 on GPISH and STEP and completed their respective MA programmes in 2021. The Secondary Teacher Education Programme is also conducted in partnership with University College London and students are awarded a dual degree including a PGDip from UCL. The IIS has successfully transitioned back to in-person teaching following the lifting of COVID-19 restrictions and in line with Office for Students (OfS) guidelines.

The Institute registered with the Office for Students in 2019 and has a Quality Assurance function which works with the Board and Senior Management to ensure that The Institute is cognisant of its compliance responsibilities and informed of evolving trends in higher education.

Aga Khan Library

The Library is jointly operated with The Aga Khan University (International) in the United Kingdom's Institute for the Study of Muslim Civilisations. There was a significant increase in the library collection with more than 500 new print titles and continued electronic access to more than 80,000 ebooks to support research and teaching. The library maintains more than 50 digital subscriptions to important journals and databases in the field of Islamic studies. During 2021, the Library also developed its new website, and the public interface of the Arkoun Archive to increase its reach and offer improved services to its users.

FINANCIAL REVIEW

The financial position of The Institute of Ismaili Studies is set out on pages 8 to 19. In summary, The Institute's total income amounted to £15.7m (2020: £14.9m) with expenditure of £15.6m (2020: £15.3m). The annual surplus was £0.1m (2020: deficit of £0.3m). The resulting cumulative funds balance carried forward was £1.7m (2020: £1.7m) which will be used to fund future charitable activities. The Trustees consider that the level of reserves is satisfactory, and that sufficient progress has been and continues to be made to achieve the charity's objectives.

Reserves

The Institute does not consider it necessary to hold significant levels of reserves due to the commitment of the current funders to invest in the ongoing charitable objectives of The Institute. The Trustees are comfortable that the current level of reserves, together with the continued access to grant funding, are sufficient to maintain the short, medium, and long-term sustainability of The Institute. Accordingly, the Institute has no concerns regarding the charity's ability to continue to operate in future periods.

Fundraising and Funding Sources

The Institute's principal sources of funding are the Aga Khan University Foundation, Aga Khan Foundation (United Kingdom) and His Highness the Aga Khan. The Institute also received unsolicited donations from individuals in the Ismaili community for which it is extremely thankful. There was no expenditure relating to fundraising as The Institute did not actively fundraise in the year.

Investment Policy

The objective of The Institute of Ismaili Studies is to draw down sufficient grants from its regular sources each month to meet the needs of the monthly expenditure.

Trustees' responsibilities for the Financial Statements

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 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 proper accounting records that disclose with reasonable accuracy 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 Charity's governing documents. 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 breaches of law and regulations.

The Trustees are responsible for the maintenance and integrity of the charity as well as the 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.

PLANS FOR FUTURE PERIODS

The Institute will continue to develop and support its research, learning and educational programmes and other initiatives as the Board of Trustees sees fit in pursuance of its objectives. Currently, the Institute is involved in designing a new ten-year strategy that is aimed to assess the current state of resource allocations and the desired future priorities and objectives. The Institute is now gradually returning to a more normal state of working, following the termination of the COVID-19 situation and the lockdowns associated with it. The Institute has a stable financial basis and it expects to continue to benefit from ongoing and consistent funding support in 2022 and beyond.

N Kheraj
Director and Trustee

29 July 2022

Independent Auditor's report to the Trustees of The Institute of Ismaili Studies

Opinion

We have audited the financial statements of The Institute of Ismaili Studies ('the charity') for the year ended 31 December 2021, which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)".

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date the financial statements are authorised for issue.

The other information comprises the information included in the annual report, including the Trustees' report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's report to the Trustees of The Institute of Ismaili Studies (continued)

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement on page 5, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. We evaluated trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated income

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, enquiries of management and review of internal reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Colin Wright (Senior Statutory Auditor)
for and on behalf of
UHY Hacker Young
Chartered Accountants
Statutory Auditor

Quadrant House
4 Thomas More Square
London E1W 1YW

Statement of Financial Activities

for the year ended 31 December 2021

	Notes	Total 2021 £	Total 2020 £
Incoming resources			
Income from Donations and Legacies:			
Grants and donations	2	**10,576,000**	9,919,500
Gift in Kind	2, 20	**5,117,731**	5,017,336
Other income	2	**320**	310
Investment income	2	**-**	782
Total		**15,694,051**	14,937,928
Resources expended			
Expenditure on:			
Charitable activities	3	**15,638,580**	15,256,431
Total		**15,638,580**	15,256,431
Net movement in funds	12	**55,471**	(318,503)
Reconciliation of funds:			
Total Funds brought forward		**1,675,607**	1,994,110
Total Funds carried forward		**1,731,078**	1,675,607

All of the above results are derived from continuing activities. There were no recognised gains or losses and no restricted funds. The notes on pages 11 to 19 form part of these financial statements.

Balance Sheet

as at 31st December 2021

	Notes	31 December 2021		31 December 2020	
		£	£	£	£
Fixed assets					
Tangible assets	8	**110,026**		99,084	
Heritage assets	8	**179,793**		170,294	
Total fixed assets			**289,819**		269,378
Current assets					
Debtors	9	**1,447,963**		1,641,301	
Cash at bank and in hand	18	**707,315**		515,964	
Total current assets		**2,155,278**		2,157,265	
Creditors: amounts falling due within one year	10	**(714,019)**		(751,036)	
Net current assets			**1,441,259**		1,406,229
Total net assets or liabilities			**1,731,078**		1,675,607
Share capital and reserves					
Called up share capital	11		**100**		100
Funds of the charity					
Unrestricted funds	12		**1,730,978**		1,675,507
Total funds			**1,731,078**		1,675,607

The notes on pages 11 to 19 form part of these financial statements.

Company Number: 01324858

The financial statements were approved by the Trustees on 29 July 2022 and were signed on their behalf by:

N. Kheraj
Director and Trustee

Cash Flow Statement for the Year Ended 31 December 2021

	Notes	2021 £	2020 £
Net cash inflow / (outflow) from operating activities	17	**292,258**	(384,485)
Cash flow from investing activities			
Purchase of tangible assets	8	**(100,907)**	(103,437)
Interest received	2	**-**	782
Net cash used in investing activities		**(100,907)**	(102,655)
Net increase / (decrease) in cash	18	**191,351**	(487,140)
Cash at beginning of year		**515,964**	1,003,104
Cash at the end of the year	18	**707,315**	515,964
Cash consists of:			
Cash at bank and in hand	18	**707,315**	515,964

The notes on pages 11 to 19 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 December 2021

1 Accounting policies

Charity and Company Information

The Institute of Ismaili Studies is a Public Benefit Entity, registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 9 August 1977 (Company Number: 01324858) and registered as a charity on 10 July 2018 (Charity Number: 1179135).

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Financial Reporting Standard, applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland - effective 1 January 2015. The principal accounting policies, which have been applied consistently throughout the periods shown, are set out below. The reasons for preparing these financial statements on the going concern basis are set out in the Trustees' report.

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the charity's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed below.

a) Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. In making this assessment the Trustees have considered the potential impact of COVID-19. Whilst some areas will be affected they are satisfied that there will not be a material impact. For this reason the Trustees continue to adopt the going concern basis in preparing these financial statements.

b) Incoming resources

Grants, donations and other income are recognised in the period in which The Institute receives them and the amount can be measured with sufficient reliability.

c) Resources expended and irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

d) Apportionment of costs by activity

Overhead and support costs are allocated first between those that pertain to The Institute's charitable activities and those that support those activities. Overhead and support costs have been apportioned based on the value of the costs within the activity centres as that is deemed to be the most accurate basis of allocation.

e) Cost of generating funds

The Institute did not incur any cost in relation to generating funds since it did not undertake any fundraising activities in the year.

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

f) Charitable activities

Costs of charitable activities that drive the attainment of The Institute's educational objectives, including the apportionment of overheads and support costs, are shown in notes 3 and 4.

g) Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

h) Fund accounting

The Institute only receives unrestricted donations and grants and does not hold any income funds.

i) Fixed assets

Fixed assets are stated at cost, less accumulated depreciation. Cost includes the original purchase price and costs directly attributable to bringing the assets to their intended use. Assets received by way of donations are stated at a reasonable market value at the time of the donation. Fixed assets with an acquisition cost of less than £500 are not capitalised.

Provision for depreciation is made so as to write off the cost or valuation of fixed assets on a straight line basis over the expected useful economic life of the assets concerned. A full year's depreciation is charged in the year of purchase. The principal annual rates used for this purpose are:

	%
Furniture, fixtures & fittings	10
Office machinery and equipment	33
Intangible fixed assets (software)	14
Artefacts	Nil

No depreciation has been charged on artefacts bought or donated since the Trustees believe that their residual value is always expected to be at least equal to the cost and that there has been no impairment in their carrying value.

j) Taxation

As a registered charity The Institute of Ismaili Studies is not liable for UK corporation tax.

k) Foreign currencies

(i) Functional and presentation currency

The institute's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

l) Pension

The Institute participates in a group pension scheme of the defined contribution type. The assets of the scheme are held separately from those of The Institute in an independently administered fund. Contributions are charged to the income and expenditure account as and when they accrue. The pension cost charge disclosed in note 6 represents the contribution payable by The Institute to the fund.

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

2 Analysis of income

	2021 £	2020 £
Grants and major donations	10,576,000	9,919,500
Other donations	-	-
	10,576,000	9,919,500

2 (i) Gifts in Kind

Gifts in Kind from Aga Khan Foundation (United Kingdom) (note 20)	5,117,731	5,017,336
	5,117,731	5,017,336

2 (ii) Other Income

Other income	320	310
	320	310

2 (iii) Investment income

Bank interest	-	782
	0	782

2 (iv) Income analysed by country

Switzerland	**10,576,000**	8,984,000
United Kingdom (including Gift in Kind)	**5,118,051**	5,953,928
	15,694,051	14,937,928

3 Analysis of Charitable Expenditure

	Research and Academic Publications	Graduate Programmes	Library and Special Collections	2021 Total	2020 Total
	£	£	£	£	£
Direct Educational Expenditure	3,839,869	4,569,762	481,919	8,891,550	8,086,241
Support Costs	2,887,154	3,431,234	362,401	6,680,789	7,097,061
Governance Costs	28,607	34,044	3,590	66,241	73,129
	6,755,630	**8,035,040**	**847,910**	**15,638,580**	15,256,431

4 Allocation of Support Costs and Governance costs

	Research and Academic Publications	Graduate Programmes	Library and Special Collections	Governance Costs	2021 Total	2020 Total
	£	£	£	£	£	£
Legal and professional Fees	-	-	-	26,993	**26,993**	25,703
Staff costs	611,243	726,431	76,724	39,248	**1,453,646**	1,658,992
Other costs	2,275,911	2,704,803	285,677	-	**5,266,391**	5,485,495
Total Support and Governance costs	**2,887,154**	**3,431,234**	**362,401**	**66,241**	**6,747,030**	7,170,190

Included within support costs there is Gifts in Kind of £5,117,731 (2020: £5,017,336) relating to occupancy costs (note 20).

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

5 The (expenditure) / income for the year is stated after charging:

	2021 £	2020 £
Auditors' remuneration: audit fees	24,343	21,570
Auditors' remuneration: Secretarial and tax services	2,650	4,133
Depreciation of tangible fixed assets	80,466	96,392

6 Paid employees

(i) Staff Costs

	2021 £	2020 £
Permanent staff:		
Salaries and wages	5,212,286	5,483,131
Social security costs	568,723	571,366
Pension costs (defined contribution scheme)	524,078	521,255
Other costs	284,147	587,012
	6,589,234	7,162,764

Other costs includes severance accrual release £33,563, accrual provided (2020: £311,360).

(ii) Salary Bands

The following number of employees received total remuneration in excess of £60,000 (excluding national insurance and employer pension contributions) within the bands shown:

	2021 £	2020 £
Band		
£60,000 to £69,999	**6**	5
£70,000 to £79,999	**3**	4
£80,000 to £89,999	**4**	3
£90,000 to £99,999	**0**	1
£100,000 to £109,999	**0**	1
£110,000 to £119,999	**0**	0
£120,000 to £129,999	**1**	2
£130,000 to £139,999	**1**	0

(iii) Average head count in the year

The average number of employees during the year ended 31 December 2021 was 124 (2020: 121)

7 (i) Emoluments of the key management

The emoluments of key management who are not The Institute's Trustees excluding employer's national insurance and pension contributions are:

	2021	2020
	£	£
Aggregate emoluments	**984,922**	869,617
Aggregate employer's contributions to pension scheme	**94,853**	73,165

Key management were the beneficiaries of The Institute's pension scheme under which contributions are made to a defined contribution scheme.

7 (ii) Trustees Remuneration and Expenses

Trustees may be reimbursed for travel and subsistence properly incurred on The Institute's affairs and The Institute can make similar payments directly to third parties on behalf of Trustees. The charity did not reimburse Trustees for any expenses in the year.

8 Tangible fixed assets

	Office Equipment	Books	Heritage Assets	Total
	£	£	£	£
Costs				
At 1 January 2021	869,702	813,973	170,294	**1,853,969**
Additions	70,188	21,220	9,499	**100,907**
At 31 December 2021	**939,890**	**835,193**	**179,793**	**1,954,876**
Depreciation				
At 1 January 2021	822,137	762,454	-	**1,584,591**
Charge for the year	55,631	24,835	-	**80,466**
At 31 December 2021	**877,768**	**787,289**	**-**	**1,665,057**
Net book value				
At 31 December 2021	**62,122**	**47,904**	**179,793**	**289,819**
At 31 December 2020	47,565	51,519	170,294	269,378

All assets are held for charitable purposes.

9 Debtors: amount falling due within one year (except for note below)

	2021	2020
	£	£
Amount owed by Islamic Publications Limited (related undertaking)	412,206	522,260
Prepayments	970,486	846,662
Other debtors	65,271	272,379
	1,447,963	1,641,301

The amount owed by the related undertaking is unsecured, interest free and has no fixed repayment terms.

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Analysis of creditors		
Trade and other creditors	536,604	411,558
Accruals	177,415	339,478
	714,019	751,036

11 Share capital: authorised, issued and fully paid:

	2021 £	2020 £
100 ordinary shares of £1 each	**100**	100

According to the Articles of Association the liability of the members is limited. In addition, the charitable company is precluded from making any distributions to members either by way of a dividend or on a winding up.

12 (i) Unrestricted funds

	2021 £	2020 £
1 January	**1,675,507**	1,994,010
Surplus / (deficit) for the financial year	**55,471**	(318,503)
31 December	**1,730,978**	1,675,507

12 (ii) Reconciliation of movements in funds:

	2021 £	2020 £
Surplus / (deficit) for the financial year	**55,471**	(318,503)
Funds brought forward	**1,675,607**	1,994,110
Funds carried forward	**1,731,078**	1,675,607

Represented by:

	2021 £	2020 £
Tangible fixed assets	**289,819**	269,378
Current assets	**2,155,278**	2,157,265
Current liabilities	**(714,019)**	(751,036)
Balance at 31 December	**1,731,078**	1,675,607

13 Total funds

The accumulated surplus shown in the balance sheet includes specific grants received to date which have been applied by the Board of Trustees in the purchase of fixed assets for the use of The Institute and in the publication and distribution of religious and cultural education books and for other accumulated expenditure. Any unutilised grant received will be used during the following year for that year's expenditure and to cover expenditure in future years. The Board of Trustees, therefore, and in accordance with The Institute's Articles of Association, regard the accumulated surplus as being unrestricted funds for use in furtherance of the charity's objectives.

14 Interest receivable and similar income

	2021 £	2020 £
Bank interest receivable	**-**	782

15 Taxation

The Institute of Ismaili Studies became a charity on 10 July 2018. Prior to this date, it was liable to Corporation tax. From the 10 July 2018 onwards the charity is no longer liable for Corporation tax on income derived from its activities, as these fall within the various exemptions available to charities.

16 Pension

The Institute of Ismaili Studies operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by The Institute of Ismaili Studies to the scheme and amounted to £524,011 (2020: £521,255).

17 Reconciliation of operating net (expenditure) / income to net cash flow from operating activities

	2021 £	2020 £
Net income / (expenditure)	**55,471**	(318,503)
Depreciation on tangible fixed assets	**80,466**	96,392
Interest receivable	**-**	(782)
(Decrease) / increase in creditors	**(37,017)**	182,328
Increase / (decrease) in debtors	**193,338**	(343,920)
Net cash inflow / (outflow) from operating activities	**292,258**	(384,485)

18 Cash and cash equivalents

	2021 £	2020 £
Changes in the year		
At 1 January	**515,964**	1,003,104
Net cash inflow / (outflow) from operating and investing activities	**191,351**	(487,140)
At 31 December	**707,315**	515,964

19 Capital expenditure

	2021 £	2020 £
Purchase of tangible assets	**100,907**	103,437
Net cash outflow for capital expenditure	**100,907**	103,437

20 Related party transactions

Income represents £8,326,000 (2020: £6,394,000) of grants received from Aga Khan University Foundation (AKUF), £nil (2020: £935,500) of grants received from Aga Khan Foundation (United Kingdom), and £2,250,000 (2020: £2,590,000) of grants received from His Highness the Aga Khan, Chairman and a shareholder of the charity.

Included within expenditure is £81,204 (2020: £88,903) relating to the purchase of publications from Islamic Publications Limited (IPL), a company that has a number of common Directors/ Trustees with the Institute of Ismaili Studies. The Institute has a debtor of £412,206 (2020: £522,260) from IPL, details of which are set out in note 9 to these accounts.

The Gifts in Kind figure of £5,117,731 (2020: £5,017,336) consists of the market rental value and occupancy costs of the premises and student accommodation, which are owned by Aga Khan Foundation (United Kingdom). The equivalent is included in expenditure.

21 Ultimate holding company and controlling parties

Aga Khan Foundation, a foundation registered in Switzerland, has a 98% interest (representing 98 shares) in the equity capital of The Institute of Ismaili Studies. It is the immediate, ultimate and controlling parent company. The remaining two shares are held as follows: one share is held by His Highness the Aga Khan and the remaining share is held by Aga Khan Foundation (United Kingdom).

THE INSTITUTE OF ISMAILI STUDIES

England & Wales - Charity number 1179135

Accounts

The Institute of Ismaili Studies

Report of the Charity and Financial

for the Year Ended 31 December 2020

Company number: 01324858
Registered Charity number: 1179135

The Institute of Ismaili Studies

Annual Report for the Year Ended 31 December 2020

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Reference and Administrative information

Directors and Trustees

The Board of Trustees, who are also Directors for Companies Act purposes, at the date on which the financial statements were approved and the Committee of the Board of Trustees that they served on during the financial year were as follows:

His Highness the Aga Khan
Mr Naguib Kheraj (a)
Mr Habib Motani (a) - Appointed 13 December 2020
Mrs Karina Govindji (a) - Appointed 13 December 2020
Mr Zauhar Meghji (a) - Retired 13 December 2020
Dr Shafik Sachedina (a) - Retired 13 December 2020

(a) Board of Governors Committee

Board of Governors

Professor Afzal Ahmed - Retired 13 December 2020
Professor Ali Asani - Appointed 13 December 2020
Dr Nadia Eboo Jamal - Appointed 13 December 2020
Dr Aziz Esmail - Retired 13 December 2020
Mrs Karina Govindji - Appointed 13 December 2020
Dr Arif Jamal - Appointed 13 December 2020
Mr Rahim Karim - Appointed 13 December 2020
Mr Alykhan Kassam - Appointed 13 December 2020
Mr Amyn Kassim-Lakha - Appointed 13 December 2020
Dr Mohamed Keshavjee - Retired 13 December 2020
Professor Tashmin Khamis - Appointed 13 December 2020
Mr Naguib Kheraj
Dr Sharofat Mamadambarova - Appointed 13 December 2020
Dr Shogufa Mir Malekyar - Appointed 13 December 2020
Mr Zauhar Meghji - Retired 13 December 2020
Mr Habib Motani - Appointed 13 December 2020
Dr Shafik Sachedina - Retired 13 December 2020
Professor Nacim Pak-Shiraz - Appointed 13 December 2020
Professor Farid F. Panjwani - Appointed 13 December 2020

Secretary
Mr Habib Motani - Appointed 13 December 2020

Registered Office
Aga Khan Centre
10 Handyside Street
King's Cross
London, N1C 4DN

Registered Auditors
UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London, E1W 1YW

Bankers
Lloyd's Bank
Victoria House
Southampton Row
London WC1B 5HR

Company number: 01324858
Registered Charity number: 1179135

Report of the Trustees for the year ended 31 December 2020

The Trustees have pleasure in submitting their report and the accounts for the year ended 31 December 2020.

ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 (FRS102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trustees have ultimate responsibility for all aspects of the work of The Institute of Ismaili Studies ("The Institute", "IIS" or "the charity"): its academic, financial and investment policies and strategic direction. They delegate the day-to-day management of The Institute to its Co-Director, Dr Farhad Daftary, who operates through his departmental heads. The co-ordination of the work of The Institute is the responsibility of the Co-Director. The Trustees participate in the strategic decision-making processes of The Institute through the Co-Director and the system of committees and sub-committees.

Governing document

The Institute of Ismaili Studies is a company limited by guarantee with share capital and was incorporated on 9 August 1977. It became a registered charity on 10 July 2018. The objects and powers of The Institute were established in its Memorandum of Association and it is governed by its Articles of Association as amended by special resolution on 2 July 2018.

Key Management Personnel

The charity's Trustees, Board of Governors, the Co-Director and the departmental heads comprise the key management personnel of the charity in charge of directing, controlling and running the charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration for their roles in the year. On 13 December 2020 new Trustees and a new Board of Governors were appointed - there is now a larger and more diverse Board of Governors.

The pay of all staff is reviewed and finalised annually by the Human Resource Committee before being reported to the Board. Pay is benchmarked periodically across similar organisations. Pay increases take into account performance, promotions, inflation and cross sector pay levels.

Trustees Induction and Training

Trustees are appointed by the holder(s) of a simple majority of the issued share capital of The Institute. Arrangements are made to ensure that Trustees are aware of the aims and objectives of the charity and their responsibilities.

Principal Risks and Uncertainties

The Trustees have assessed and continue to reassess the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity. The major risks facing IIS are i) the loss of key academics and faculty staff, who cannot be readily replaced due to IIS operating in a specialised field, ii) significant damage to the holdings of the library and the Ismaili Collections due to fire or flooding, and iii) the inability to recruit students due to UK immigration constraints. The impact of COVID-19 and its possible impact on the Charity's future plans and budgets and actual results for the year ending 31 December 2020 has been considered.

Related Parties

The Institute owns no subsidiary companies but itself is owned 98% by the Aga Khan Foundation, a registered foundation in Switzerland. The Institute has common interests with Aga Khan University Foundation, Aga Khan Foundation (United Kingdom) and Islamic Publications Limited.

Report of the Trustees for the year ended 31 December 2020 (continued)

OBJECTIVES, ACTIVITIES AND ACHIEVEMENTS OF THE CHARITY

Aims and Objectives

The objects of the charity are, for the public benefit, to assist in the advancement of education and learning or any other exclusively charitable object (under the laws of England and Wales), including (without limiting the generality of the foregoing):

to encourage, extend, increase, disseminate and promote knowledge of, and to promote, conduct and support research (including through the dissemination of the useful results of such research) into, the religious, spiritual and cultural heritage of the Shia Imami Ismaili Tariqah of Islam, and to conduct and support research into any other religious faiths, beliefs or practices and to disseminate the useful results thereof; and

to establish, carry on, and support the educational institution known by the charity's name and such other educational institutions and programmes as the Board of Trustees sees fit.

Public benefit

The Institute, through its governing body, the Board of Trustees, is aware of its responsibilities as a charity to act for the public benefit across its activities and has had due regard to the latest version of the Charity Commission's public benefit guidance. The Institute endeavours to advance education and knowledge of Muslim societies and civilisations through learning, teaching and research for the benefit of individuals and society. It contributes to the development of professionals and scholars who have a broader, deeper and critical understanding of Islam and its diverse expressions in the modern contemporary context. As a result, scholars are better equipped to promote understanding and social cohesion amongst diverse communities in society and to analyse theological, social, economic and educational problems faced by contemporary societies, offering creative solutions to address them.

Location

The Institute is located in a purpose-designed permanent home at the Aga Khan Centre in London's King's Cross, where it is co-located with The Aga Khan University (International) in the United Kingdom and the Aga Khan Foundation (United Kingdom). The Aga Khan Centre is a place for education, knowledge, cultural exchange and insight into Muslim civilisations. The organisations that are located there work together to bridge the gap in understanding about Muslim cultures and their diversity as well as to connect the public to global development issues. The three institutions host a variety of events, exhibitions and talks that are open to the public.

Research and Academic Publications

The coronavirus pandemic led to unprecedented circumstances in 2020; however, these circumstances did not lead to significant declines in productivity. During the year, the Institute published (or sent to publishers) six books. At the same time, we have more than 20 research projects in the pipeline at various stages of production. Moreover, we published 3 translations of our books, bringing the total number of such translations to 124. Our publications continue to be well received by the academic community as attested by their reviews in prestigious journals.

The Institute continued its research programmes which include work on important international heritage sites, diverse cultural and religious practices and ethics as well as the analysis of its unique collections of historical manuscripts. The Institute also sponsored and orchestrated two international academic conferences.

Report of the Trustees for the year ended 31 December 2020 (continued)

Graduate Programmes

The Institute has a partnership agreement with SOAS University of London for validation of The Institute's two graduate programmes: the Graduate Programme in Islamic Studies and Humanities (GPISH) and the Secondary Teacher Education Programme (STEP). The first cohorts of students to benefit from this validation agreement were admitted in 2019 on GPISH and STEP. The Secondary Teacher Education Programme recommenced the admission of a new cohort of students in 2020 after a hiatus; this programme is also conducted in partnership with the UCL Institute of Education (IOE) and students are awarded a dual degree including a PGDip from UCL. IIS was successfully able to transition much of the classroom teaching to virtual and blended delivery following the on-set of the COVID-19 pandemic.

The Institute registered with the Office for Students in 2019 and has a Quality Assurance function which works with the Board and Senior Management to ensure that The Institute is cognisant of its compliance responsibilities and informed of evolving trends in higher education.

Aga Khan Library

The Library is jointly operated with The Aga Khan University (International) in the United Kingdom's Institute for the Study of Muslim Civilisations. There was a significant increase in the library collection with more than 700 new print volumes and electronic access to more than 80,000 titles to support research and teaching.

Volunteers

To help deliver some activities, with particular reference to events held, The Institute is extremely thankful to its dedicated pool of volunteers who provide their time freely and often at weekends. The Trustees extend their gratitude to all the volunteers for their invaluable help and support. In accordance with the Charities SORP FRS 102 volunteer time is not recognised in the financial statements. It is deemed too difficult to quantify the financial value of the volunteers' time.

FINANCIAL REVIEW

The financial position of The Institute of Ismaili Studies is set out on pages 8 to 19. In summary, The Institute's total income amounted to £14.9m (2019: £15.1m) with expenditure of £15.3m (2019: £14.6m). The annual deficit was £0.3m (2019: surplus of £0.5m). The resulting cumulative funds balance carried forward was £1.7m (2019: £2.0m) which will be used to fund future charitable activities. The Trustees consider that the level of reserves is satisfactory, and that sufficient progress has been and continues to be made to achieve the charity's objectives.

Reserves

The Institute does not consider it necessary to hold significant levels of reserves due to the commitment of the current funders to invest in the ongoing charitable objectives of The Institute. The Trustees are comfortable that the current level of reserves, together with the continued access to grant funding, are sufficient to maintain the short, medium, and long-term sustainability of The Institute. Accordingly, the Institute has no concerns regarding the charity's ability to continue to operate in future periods.

Fundraising and Funding Sources

The Institute's principal sources of funding are the Aga Khan University Foundation, Aga Khan Foundation (United Kingdom) and His Highness the Aga Khan. The Institute also received unsolicited donations from individuals in the Ismaili community for which it is extremely thankful. There was no expenditure relating to fundraising as The Institute did not actively fundraise in the year.

Investment Policy

The objective of The Institute of Ismaili Studies is to draw down sufficient grants from its regular sources each month to meet the needs of the monthly expenditure. In case there are excess funds for a period that become available, the investment practice is to place monies in short term bank deposits to preserve the capital value with a minimum level of risk and easily accessible liquidity.

Report of the Trustees for the year ended 31 December 2020 (continued)

Trustees' responsibilities for the Financial Statements

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 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 proper accounting records that disclose with reasonable accuracy 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 Charity's governing documents. 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 breaches of law and regulations.

The Trustees are responsible for the maintenance and integrity of the charity as well as the 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.

PLANS FOR FUTURE PERIODS

The Institute will continue to develop and support its research, learning and educational mission and other programmes as the Board of Trustees sees fit in pursuance of its objectives. The COVID-19 situation is rapidly evolving and is having an impact on the operations of The Institute including home working and on line courses in place of face to face teaching. The Institute expects to continue to benefit from long running consistent funding support and does not expect the COVID-19 situation to have a material impact on the ability to fund the activity of The Institute in 2021 or on an ongoing basis.

N Kheraj
Director and Trustee

29 July 2021

Independent Auditor's report to the Trustees of The Institute of Ismaili Studies

Opinion

We have audited the financial statements of The Institute of Ismaili Studies ('the charity') for the year ended 31 December 2020, which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)".

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date the financial statements are authorised for issue.

The other information comprises the information included in the annual report, including the Trustees' report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.
We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's report to the Trustees of The Institute of Ismaili Studies (continued)

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement on page 5, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. We evaluated trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated income

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, enquiries of management and review of internal reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Colin Wright (Senior Statutory Auditor)
for and on behalf of
UHY Hacker Young
Chartered Accountants
Statutory Auditor

Quadrant House
4 Thomas More Square
London E1W 1YW

28/7/2021

Statement of Financial Activities

for the year ended 31 December 2020

	Notes	Total 2020 £	Total 2019 £
Incoming resources			
Income from Donations and Legacies:			
Grants and donations	2	**9,919,500**	10,193,834
Gift in Kind	2, 20	**5,017,336**	4,913,677
Other income	2	**310**	1,265
Investment income	2	**782**	1,668
Total		**14,937,928**	15,110,444
Resources expended			
Expenditure on:			
Charitable activities	3	**15,256,431**	14,580,857
Total		**15,256,431**	14,580,857
Net (Expenditure) / Income		**(318,503)**	529,587
Transfers between funds		-	-
Net movement in funds	12	**(318,503)**	529,587
Reconciliation of funds:			
Total Funds brought forward		**1,994,110**	1,464,523
Total Funds carried forward		**1,675,607**	1,994,110

All of the above results are derived from continuing activities. There were no recognised gains or losses and no restricted funds.

The notes on pages 11 to 19 form part of these financial statements.

Balance Sheet

at 31 December 2020

	Notes	31 December 2020		31 December 2019	
		£	£	£	£
Fixed assets					
Tangible assets	8	99,084		127,944	
Heritage assets	8	170,294		134,389	
Total fixed assets			269,378		262,333
Current assets					
Debtors	9	1,641,301		1,297,381	
Cash at bank and in hand	18	515,964		1,003,104	
Total current assets		2,157,265		2,300,485	
Creditors: amounts falling due within one year	10	(751,036)		(568,708)	
Net current assets			1,406,229		1,731,777
Total net assets or liabilities			1,675,607		1,994,110
Share capital and reserves					
Called up share capital	11		100		100
Funds of the charity					
Unrestricted funds	12		1,675,507		1,994,010
Total funds			1,675,607		1,994,110

The notes on pages 11 to 19 form part of these financial statements.

Company Number: 01324688

The financial statements were approved by the Trustees on 28 July 2021 and were signed on their behalf by:

N. Kheraj
Director and Trustee

Cash Flow Statement for the Year Ended 31 December 2020

	Notes	2020 £	2019 £
Net cash (outflow) / inflow from operating activities	17	**(384,485)**	744,491
Cash flow from investing activities			
Purchase of tangible assets	8	**(103,437)**	(115,763)
Interest received	2	**782**	1,668
Net cash used in investing activities		**(102,655)**	(114,095)
Net (decrease) / increase in cash	18	**(487,140)**	630,396
Cash at beginning of year		**1,003,104**	372,708
Cash at the end of the year	18	**515,964**	1,003,104
Cash consists of:			
Cash at bank and in hand	18	**515,964**	1,003,104

The notes on pages 11 to 19 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 December 2020

1 Accounting policies

Charity and Company Information

The Institute of Ismaili Studies is a Public Benefit Entity, registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 9 August 1977 (Company Number: 01324858) and registered as a charity on 10 July 2018 (Charity Number: 1179135).

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Financial Reporting Standard, applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland - effective 1 January 2015. The principal accounting policies, which have been applied consistently throughout the periods shown, are set out below. The reasons for preparing these financial statements on the going concern basis are set out in the Trustees' report.

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the charity's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed below.

a) Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. In making this assessment the Trustees have considered the potential impact of COVID-19. Whilst some areas will be affected they are satisfied that there will not be a material impact. For this reason the Trustees continue to adopt the going concern basis in preparing these financial statements.

b) Incoming resources

Grants, donations and other income are recognised in the period in which The Institute receives them and the amount can be measured with sufficient reliability.

c) Resources expended and Irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

d) Apportionment of costs by activity

Overhead and support costs are allocated first between those that pertain to The Institute's charitable activities and those that support those activities. Overhead and support costs have been apportioned based on the value of the costs within the activity centres as that is deemed to be the most accurate basis of allocation.

e) Cost of generating funds

The Institute did not incur any cost in relation to generating funds since it did not undertake any fundraising activities in the year.

f) Charitable activities

Costs of charitable activities that drive the attainment of The Institute's educational objectives, including the apportionment of overheads and support costs, are shown in notes 3 and 4.

g) Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

h) Fund accounting

The Institute only receives unrestricted donations and grants and does not hold any income funds.

i) Tangible fixed assets

Tangible fixed assets are stated at cost, less accumulated depreciation. Cost includes the original purchase price and costs directly attributable to bringing the assets to their intended use. Assets received by way of donations are stated at a reasonable market value at the time of the donation. Fixed assets with an acquisition cost of less than £500 are not capitalised.

Provision for depreciation is made so as to write off the cost or valuation of tangible fixed assets on a straight line basis over the expected useful economic life of the assets concerned. A full year's depreciation is charged in the year of purchase. The principal annual rates used for this purpose are:

	%
Furniture, fixtures & fittings	10
Office machinery and equipment	33
Books	20
Artefacts	Nil

No depreciation has been charged on artefacts bought or donated since the Trustees believe that their residual value is always expected to be at least equal to the cost and that there has been no impairment in their carrying value.

j) Taxation

As a registered charity The Institute of Ismaili Studies is not liable for UK corporation tax.

k) Foreign currencies

(i) Functional and presentation currency

The institute's functional and presentation currency is the pound sterling.

(il) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

l) Pension

The Institute participates in a group pension scheme of the defined contribution type. The assets of the scheme are held separately from those of The Institute in an independently administered fund. Contributions are charged to the income and expenditure account as and when they accrue. The pension cost charge disclosed in note 6 represents the contribution payable by The Institute to the fund.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

2 Analysis of Income

	2020 £	2019 £
Grants and major donations	**9,919,500**	10,193,779
Other donations	**-**	55
	9,919,500	10,193,834

2 (i) Gifts In Kind

Gifts in Kind from Aga Khan Foundation (United Kingdom) (note 20)	**5,017,336**	4,913,677
	5,017,336	4,913,677

2 (ii) Other Income

Other Income	**310**	1,265
	310	1,265

2 (iii) Investment Income

Bank interest	**782**	1,668
	782	1,668

2 (iv) Income analysed by country

Switzerland	**8,984,000**	9,685,500
United Kingdom (including Gift in Kind)	**5,953,928**	5,424,919
	14,937,928	15,110,419

3 Analysis of Charitable Expenditure

	Research and Academic Publications	Graduate Programmes	Library and Special Collections	2020 Total	2019 Total
	£	£	£	£	£
Direct Educational Expenditure	3,703,496	3,827,955	554,790	8,086,241	7,612,540
Support Costs	3,251,604	3,357,691	487,766	7,097,061	6,900,977
Governance Costs	33,134	33,121	6,874	73,129	67,340
	6,988,234	**7,218,767**	**1,049,430**	**15,256,431**	14,580,857

4 Allocation of Support Costs and Governance costs

	Research and Academic Publications	Graduate Programmes	Library and Special Collections	Governance Costs	2020 Total	2019 Total
	£	£	£	£	£	£
Legal and professional Fees	-	-	-	25,703	**25,703**	20,000
Staff costs	738,266	762,107	111,193	47,426	**1,658,992**	1,743,468
Other costs	2,513,338	2,595,584	376,573	-	**5,485,495**	5,204,849
Total Support and Governance costs	**3,251,604**	**3,357,691**	**487,766**	**73,129**	**7,170,190**	6,968,317

Included within support costs there is Gifts in Kind of £5,017,336 (2019: £4,913,677) relating to occupancy costs (note 20).

5 The (expenditure) / income for the year is stated after charging:

	2020 £	2019 £
Auditors' remuneration: audit fees	**21,570**	17,500
Auditors' remuneration: Secretarial and tax services	**4,133**	2,827
Depreciation of tangible fixed assets	**96,392**	77,980

6 Paid employees

(i) Staff Costs

	2020 £	2019 £
Permanent staff:		
Salaries and wages	**5,483,131**	5,358,023
Social security costs	**571,366**	539,292
Pension costs (defined contribution scheme)	**521,255**	506,349
Other costs	**587,012**	207,946
	7,162,764	6,611,610

Staff Costs include severance payments made of £311,360 (2019: £29,750).

(ii) Salary Bands

The following number of employees received total remuneration in excess of £60,000 (excluding national insurance and employer pension contributions) within the bands shown:

	2020 £	2019 £
Band		
£60,000 to £69,999	**5**	4
£70,000 to £79,999	**4**	5
£80,000 to £89,999	**3**	1
£90,000 to £99,999	**1**	1
£100,000 to £109,999	**1**	1
£110,000 to £119,999	**0**	0
£120,000 to £129,999	**2**	2

(iii) Average head count in the year

The average number of employees during the year ended 31 December 2020 was 121 (2019: 125)

7 (i) Emoluments of the key management

The emoluments of key management who are not The Institute's Trustees excluding employer's national insurance and pension contributions are:

	2020	2019
	£	£
Aggregate emoluments	**869,617**	777,362
Aggregate employer's contributions to pension scheme	**73,165**	65,791

Key management were the beneficiaries of The Institute's pension scheme under which contributions are made to a defined contribution scheme. There was a net increase of two staff defined as key management during the year.

7 (ii) Trustees Remuneration and Expenses

Trustees may be reimbursed for travel and subsistence properly incurred on The Institute's affairs and The Institute can make similar payments directly to third parties on behalf of Trustees. The charity did not reimburse Trustees for any expenses in the year.

8 Tangible fixed assets

	Office Equipment	Books	Heritage Assets	Total
	£	£	£	£
Costs				
At 1 January 2020	823,795	792,348	134,389	**1,750,532**
Additions	45,907	21,625	35,905	**103,437**
At 31 December 2020	869,702	813,973	170,294	**1,853,969**
Depreciation				
At 1 January 2020	749,125	739,074	-	**1,488,199**
Charge for the year	73,012	23,380	-	**96,392**
At 31 December 2020	**822,137**	**762,454**	-	**1,584,591**
Net book value	**47,565**	**51,519**	**170,294**	**269,378**
At 31 December 2019	74,670	53,274	134,389	262,333

All assets are held for charitable purposes.

9 Debtors: amount falling due within one year (except for note below)

	2020	2019
	£	£
Amount owed by Islamic Publications Limited (related undertaking)	**522,260**	480,685
Prepayments	**846,662**	537,697
Other debtors	**272,379**	278,999
	1,641,301	1,297,381

The amount owed by the related undertaking is unsecured, interest free and has no fixed repayment terms.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Analysis of creditors		
Trade and other creditors	**411,558**	414,967
Accruals	**339,478**	153,741
	751,036	568,708

11 Share capital: authorised, issued and fully paid:

	2020 £	2019 £
100 ordinary shares of £1 each	**100**	100

According to the Articles of Association the liability of the members is limited. In addition, the charitable company is precluded from making any distributions to members either by way of a dividend or on a winding up.

12 (i) Unrestricted funds

	2020 £	2019 £
1 January	**1,994,010**	1,464,423
(Deficit) / surplus for the financial year	**(318,503)**	529,587
31 December	**1,675,507**	1,994,010

12 (ii) Reconciliation of movements in funds:

	2020 £	2019 £
(Deficit) / surplus for the financial year	**(318,503)**	529,587
Funds brought forward	**1,994,110**	1,464,523
Funds carried forward	**1,675,607**	1,994,110

Represented by:

	2020 £	2019 £
Tangible fixed assets	**269,378**	262,333
Current assets	**2,157,265**	2,300,485
Current liabilities	**(751,036)**	(568,708)
Balance at 31 December	**1,675,607**	1,994,110

13 Total funds

The accumulated surplus shown in the balance sheet includes specific grants received to date which have been applied by the Board of Trustees in the purchase of fixed assets for the use of The Institute and in the publication and distribution of religious and cultural education books and for other accumulated expenditure. Any unutilised grant received will be used during the following year for that year's expenditure and to cover expenditure in future years. The Board of Trustees, therefore, and in accordance with The Institute's Articles of Association, regard the accumulated surplus as being unrestricted funds for use in furtherance of the charity's objectives.

14 Interest receivable and similar income

	2020	2019
	£	£
Bank interest receivable	**782**	1,668

15 Taxation

The Institute of Ismaili Studies became a charity on 10 July 2018. Prior to this date, it was liable to Corporation tax. From the 10 July 2018 onwards the charity is no longer liable for Corporation tax on income derived from its activities, as these fall within the various exemptions available to charities.

16 Pension

The Institute of Ismaili Studies operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by The Institute of Ismaili Studies to the scheme and amounted to £521,255 (2019: £506,349).

17 Reconciliation of operating net (expenditure) / income to net cash flow from operating activities

	2020	2019
	£	£
Net (expenditure) / income	**(318,503)**	529,587
Depreciation on tangible fixed assets	**96,392**	77,980
Interest receivable	**(782)**	(1,668)
Increase / (Decrease) in creditors	**182,328**	(353,418)
(Decrease) / increase in debtors	**(343,920)**	492,010
Net cash inflow / (outflow) from operating activities	**(384,486)**	744,491

18 Cash and cash equivalents

	2020 £	2019 £
Changes in the year		
At 1 January	**1,003,104**	372,708
Net cash (outflow) / inflow from operating and investing activities	**(487,140)**	630,396
At 31 December	**515,964**	1,003,104

19 Capital expenditure

	2020 £	2019 £
Purchase of tangible assets	**103,437**	115,763
Net cash outflow for capital expenditure	**103,437**	115,763

20 Related party transactions

Income represents £6,394,000 (2019: £7,085,500) of grants received from Aga Khan University Foundation (AKUF), £935,500 (2019: £508,279) of grants received from Aga Khan Foundation (United Kingdom), and £2,590,000 (2019: £2,600,000) of grants received from His Highness the Aga Khan, Chairman and a shareholder of the charity.

At 31 December 2020 £0 (2019: £ £21,955) was due to AKUF.

Included within expenditure is £88,903 (2019: £165,577) relating to the purchase of publications from Islamic Publications Limited (IPL), a company that has a number of common Directors/ Trustees with the Institute of Ismaili Studies. The Institute has a debtor of £522,260 (2019: £480,685) from IPL, details of which are set out in note 9 to these accounts.

The Gifts in Kind figure of £5,017,366 (2019: £4,913,677) consists of the market rental value and occupancy costs of the premises and student accommodation, which are owned by Aga Khan Foundation (UK). The equivalent is included in expenditure.

21 Ultimate holding company and controlling parties

Aga Khan Foundation, a foundation registered in Switzerland, has a 98% interest (representing 98 shares) in the equity capital of The Institute of Ismaili Studies. It is the immediate, ultimate and controlling parent company. The remaining two shares are held as follows: one share is held by His Highness the Aga Khan and the remaining share is held by Aga Khan Foundation (United Kingdom).