

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 Aryn 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.

Report of the Trustees for the year ended 31 December 2021 (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 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.

Report of the Trustees for the year ended 31 December 2021 (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 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.

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

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)

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

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.

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

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)

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

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).