

Charity registration number: 289194

Khaniqah-I-Nimatullahi

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Khaniqah-I-Nimatullahi

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Khaniqah-I-Nimatullahi

Reference and Administrative Details

Trustees	Dr A Nurbakhsh Mr N W Johnston Mrs S Johnston Mrs Y Zellipour Mr A May Mr H Nourbakhsh
Principal Office	41 Chepstow Place London W2 4TS
Charity Registration Number	289194
Bankers	Lloyds Bank PLC 12 High Street Banbury Oxfordshire OX16 5EF
Independent Examiner	Jonathan Russell F.C.A. Just Audit & Assurance Ltd 4 South Bar Street Banbury Oxfordshire OX16 9AA

Khaniqah-I-Nimatullahi

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2020.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015 - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Objectives and activities

Objects and aims

The principal objectives of the charity are to promote the spiritual teaching of Sufism, to establish and maintain Khaniqahs (Sufi houses) and to provide means to facilitate the communication of the principles and teachings of Islam and Sufism.

Public benefit

The Charity's establishment and learning methods are open to all who wish to study the principles and teaching of Islam and Sufism.

Khaniqah-I-Nimatullahi

Trustees' Report

Secretary's Summary Report

As the Covid pandemic continues in its second year, the Trust has tried to maintain contact with its members coordinated both internationally and through each centre world wide, namely:

- 1 - Online meditation speech and music has been broadcasted and shared amongst all centres twice weekly
- 2 - Both biannual magazines, in Persian and English, are now published in a digital format online. The Persian magazine is offered free of charge, while the English magazine is offered under subscription.

All centres remain closed for attending in person, while guidelines are issued for all centres to observe as they move out of isolation.

The Trust has also continued to be directly involved in overlooking the operational affairs of all its sister charities established in Canada, United States, Africa (including the running of the charitable Health centre in Abidjan, Ivory Coast), Australia and Europe.

The UK Trust acts as the centre for all other related sister charities. A number of annual events and occasional conferences and concerts provide a forum for members of all these centres to get together. However, once again due to the Covid pandemic, no international or local events have been held by any of our centres internationally.

Charity Work

The Trust has been unable to coordinate any work in community efforts due to the restrictions imposed due to Covid, as well as members reluctance to participate in any group work for the same reason.

Review of the publications

Both the English and Persian magazines are now offered in the digital format online. The Persian magazine is offered free of charge, while the English magazine is offered under subscription. Both magazines are compiled through a new team of volunteers, and managed by Safoura Nourbakhsh, who resides in Washington DC, USA. Older versions of both magazines are offered in both paper and digital format.

No new books were published in either Language this year.

Review of the loans and loan repayments

All centres which have an outstanding loan with the UK charity are paying off their loans on a regular basis, except for:

Austria, Benin (Porto Novo and Parako) and the Russian centres.

Review the status of officers working for the association

All Trustees continue to provide their services free of charge.

Dr Alireza Nurbakhsh as the master of the order, a full member, Trustee and the president of the association works on a part time voluntary basis as the President of the Charity and has overall management responsibilities for the UK charity as well as all other related sister charities overseas. He has a direct influence over the continuous relationship between centres throughout the world. Beside his day to day occupation as a solicitor, he is also engaged in writing articles for the Sufi magazine in both English and Farsi language.

Mr Javad Zokaei assists in the household management of the London centre and the coordination of the voluntary work in the community initiatives by the London members.

Sholeh Johnston resigned from her position as a trustee on 6th November 2020.

Neil and Sima Johnston continue as trustees and voluntary workers assisting in the management of the site at Oxfordshire and the administrative responsibilities of the UK association.

Financial review

Policy on reserves

The Trustees consider that they have adequate reserves to maintain the operation of the Charity for the foreseeable future.

Khaniqah-I-Nimatullahi

Trustees' Report

Structure, governance and management

Major risks and management of those risks

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finance, and are satisfied that internal control systems are adequate and procedures are in place to mitigate any exposure to the major risks.

The annual report was approved by the trustees of the charity on and signed on its behalf by:

.....
Mrs S Johnston
Trustee

Khaniqah-I-Nimatullahi

Statement of Trustees' Responsibilities

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

The law applicable to charities 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 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 business.

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

Approved by the trustees of the charity on and signed on its behalf by:

.....
Mrs S Johnston
Trustee

Khaniqah-I-Nimatullahi

Independent Examiner's Report to the trustees of Khaniqah-I-Nimatullahi

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31 December 2020.

As the charity's trustees, you are responsible for the preparation of the accounts in accordance Charities Act 2011 (the Act) .

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities act; or
- the accounts did not accord with the accounting records: or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
Jonathan Russell F.C.A.

Just Audit & Assurance Ltd
4 South Bar Street
Banbury
Oxfordshire
OX16 9AA

Date:.....

Khaniqah-I-Nimatullahi

Statement of Financial Activities for the Year Ended 31 December 2020

	Note	Unrestricted £	Restricted £	Total 2020 £
Income and Endowments from:				
Donations and legacies	2	40,865	13,471	54,336
Other trading activities	3	9,072	-	9,072
Investment income	4	58,637	-	58,637
Other gains/losses	5	(4,219)	-	(4,219)
Total Income	5	104,355	13,471	117,826
Expenditure on:				
Charitable activities	6	(210,873)	(33,451)	(244,324)
Total Expenditure		(210,873)	(33,451)	(244,324)
Net movement in funds		(106,518)	(19,980)	(126,498)
Reconciliation of funds				
Total funds brought forward		2,703,532	68,582	2,772,114
Total funds carried forward	15	2,597,014	48,602	2,645,616
2019				
	Note	Unrestricted £	Restricted £	Total 2019 £
Income and Endowments from:				
Donations and legacies	2	167,655	11,345	179,000
Other trading activities	3	19,471	-	19,471
Investment income	4	63,743	-	63,743
Other gains/losses	5	41,364	-	41,364
Total Income		292,233	11,345	303,578
Expenditure on:				
Charitable activities	6	(315,811)	(3,651)	(319,462)
Total Expenditure		(315,811)	(3,651)	(319,462)
Net movement in funds		(23,578)	7,694	(15,884)
Reconciliation of funds				
Total funds brought forward		2,727,111	60,888	2,787,999
Total funds carried forward	15	2,703,533	68,582	2,772,115

Khaniqah-I-Nimatullahi
(Registration number: 289194)
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	839,458	884,323
Current assets			
Debtors	12	1,762,376	1,974,701
Cash at bank and in hand		<u>167,176</u>	<u>144,457</u>
		1,929,552	2,119,158
Creditors: Amounts falling due within one year	13	<u>(123,395)</u>	<u>(152,875)</u>
Net current assets		<u>1,806,157</u>	<u>1,966,283</u>
Total assets less current liabilities		2,645,615	2,850,606
Creditors: Amounts falling due after more than one year	14	<u>-</u>	<u>(78,492)</u>
Net assets		<u><u>2,645,615</u></u>	<u><u>2,772,114</u></u>
Funds of the charity:			
Restricted income funds			
Restricted funds	15	43,847	60,255
Unrestricted income funds			
Unrestricted funds		<u>2,601,768</u>	<u>2,711,859</u>
Total funds	15	<u><u>2,645,615</u></u>	<u><u>2,772,114</u></u>

The financial statements on pages 7 to 15 were approved by the trustees, and authorised for issue on and signed on their behalf by:

.....
Mr N W Johnston
Trustee

.....
Mrs S Johnston
Trustee

Khaniqah-I-Nimatullahi

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Khaniqah-I-Nimatullahi meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings.

Khaniqah-I-Nimatullahi

Notes to the Financial Statements for the Year Ended 31 December 2020

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Furniture & Equipment	15% reducing balance
Land & Buildings	15% Reducing balance/1% Straight line

Research and development

Research and development expenditure is written off as incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Loans/Other debtors

The charity's main purpose is to provide loans to overseas charities to set up centre's promoting the charities aims. These loans are given interest free with variable terms of repayment. They are disclosed in the accounts at historical value as debtors due from group undertaking less any provision for non payment which the trustees consider prudent.

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Notes to the Financial Statements for the Year Ended 31 December 2020

Foreign currencies

Transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the statement of financial activities.

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2020 £	Total 2019 £
Donations and legacies;				
Legacies	40,865	13,471	54,336	179,000
	<u>40,865</u>	<u>13,471</u>	<u>54,336</u>	<u>179,000</u>

3 Income from other trading activities

	Unrestricted General £	Total 2020 £	Total 2019 £
Trading income;			
Publication sales	2,526	2,526	5,771
Orchard sales	6,546	6,546	13,700
	<u>9,072</u>	<u>9,072</u>	<u>19,471</u>

4 Investment income

	Unrestricted General £	Total 2020 £	Total 2019 £
Interest receivable and similar income;			
Interest receivable on bank deposits	-	-	2
Feed in tariff income	637	637	6,741
Rental income	58,000	58,000	57,000
	<u>58,637</u>	<u>58,637</u>	<u>63,743</u>

5 Other gains & losses

	Note	2020 £	2019 £
Profit/(loss) on foreign currency		<u>(4,219)</u>	<u>41,364</u>

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Notes to the Financial Statements for the Year Ended 31 December 2020

Other gains & losses arises from currency gains and losses on loans to overseas charities in non sterling currencies.

6 Expenditure on charitable activities

	Unrestricted		Total 2020	Total 2019
	General £	Restricted £	£	£
Costs of publications	5,464	-	5,464	2,796
Depreciation	44,865	-	44,865	51,486
Premises costs	51,878	-	51,878	36,071
Other costs	50,996	451	51,447	58,391
Bad debt provision	-	-	-	123,800
Donations	500	33,000	33,500	-
Wages and salaries	46,065	-	46,065	29,999
Governance costs	11,105	-	11,105	16,919
	<u>210,873</u>	<u>33,451</u>	<u>244,324</u>	<u>319,462</u>

7 Analysis of governance and support costs

Governance costs

	Unrestricted		Total 2020	Total 2019
	General £		£	£
Accountancy and independent examiners fee	5,256		5,256	6,750
Other office expenses	4,300		4,300	6,755
Sundry and other costs	1,549		1,549	3,414
	<u>11,105</u>		<u>11,105</u>	<u>16,919</u>

8 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2020 £	2019 £
Depreciation of tangible fixed assets	<u>44,865</u>	<u>51,486</u>

9 Trustees remuneration and expenses

No trustees received any remuneration during the year.

Khaniqah-I-Nimatullahi

Notes to the Financial Statements for the Year Ended 31 December 2020

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

11 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2020	1,434,034	86,556	2,200	1,522,790
At 31 December 2020	1,434,034	86,556	2,200	1,522,790
Depreciation				
At 1 January 2020	564,454	73,463	550	638,467
Charge for the year	42,489	2,376	-	44,865
At 31 December 2020	606,943	75,839	550	683,332
Net book value				
At 31 December 2020	827,091	10,717	1,650	839,458
At 31 December 2019	869,580	13,093	1,650	884,323

12 Debtors

	2020 £	2019 £
Due from sister charities	1,762,376	1,974,701

This represents loans made to overseas charities with the same aims across the world. The loans are repayable over various periods.

Loans have been advanced to charities in Abidjan, Benin, Holland, France, Spain, Canada, Sweden, Australia, Austria, Russia, Senegal, Germany, Burkina Faso, Switzerland and the United States of America.

Khaniqah-I-Nimatullahi

Notes to the Financial Statements for the Year Ended 31 December 2020

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Other loans	119,141	146,121
Accruals	4,254	6,754
	<u>123,395</u>	<u>152,875</u>

14 Creditors: amounts falling due after one year

	2020 £	2019 £
Other loans	-	78,492
	<u>-</u>	<u>78,492</u>

15 Funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2020 £
Unrestricted funds					
<i>General</i>					
General	2,703,532	104,354	(210,873)	-	2,597,013
Restricted funds					
Serving the Needy	5	433	(388)	-	50
Mexico fund	27,858	-	-	(27,795)	63
Iran earthquake fund	23,500	-	(10,048)	(13,452)	-
Abidjan Clinic	17,219	13,038	(23,015)	41,247	48,489
Total restricted funds	<u>68,582</u>	<u>13,471</u>	<u>(33,451)</u>	<u>-</u>	<u>48,602</u>
Total funds	<u>2,772,114</u>	<u>117,825</u>	<u>(244,324)</u>	<u>-</u>	<u>2,645,615</u>

16 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds 2020 £
Tangible fixed assets	839,458	-	839,458
Current assets	1,885,705	43,847	1,929,552
Current liabilities	(123,395)	-	(123,395)
Total net assets	<u>2,601,768</u>	<u>43,847</u>	<u>2,645,615</u>

Khaniqah-I-Nimatullahi

Notes to the Financial Statements for the Year Ended 31 December 2020

	Unrestricted funds General £	Restricted funds £	Total funds 2019 £
Tangible fixed assets	884,323	-	884,323
Current assets	2,058,903	60,255	2,119,158
Current liabilities	(152,875)	-	(152,875)
Creditors over 1 year	(78,492)	-	(78,492)
Total net assets	<u>2,711,859</u>	<u>60,255</u>	<u>2,772,114</u>

17 Related party transactions

During the year the charity made the following related party transactions:

Trustees

The following balance owed to a trustee was outstanding at the year end; No interest is charged in respect of this balance and there are no fixed terms of repayment.

At the balance sheet date the amount due to Trustees was £119,140 (2019 - £132,340).