

Charity registration number: 289194

Khaniqah-I-Nimatullahi

Annual Report and Financial Statements

for the Year Ended 31 December 2021

Khaniqah-I-Nimatullahi

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Khaniqah-I-Nimatullahi

Reference and Administrative Details

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

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 2021.

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 for another 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 continues to be broadcasted and shared amongst all centres twice weekly
- 2 - Both biannual magazines, in Persian and English, continue to be published in a digital format online. The Persian magazine is offered free of charge, while the English magazine is offered under subscription.

New guidelines are issued to all centres with measures on how to hold meetings as they move out of isolation. Most centres have opted to remain close and only a few centres have opened their doors to their members.

Like many organisations, the charity remains to be effected by the Covid-19 pandemic. As a result, once again it was not possible to hold the 2021 annual event in June and other areas of our activities have been restricted. However, the charity is continuing to receive donations and it is not expected the pandemic will have any long term effect on the charities finances.

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.

Safeguarding Policy

The Khaniqahi Nimatullahi Sufi Order is committed to ensuring that members and volunteers who attend the meditation Centres and events are safe and are protected from harm and abusive behavior of any kind, including bullying, race and gender discrimination, sexual exploitation, abuse, or harassment. A safeguarding policy was adopted in March 2021 and a safeguarding coordinating committee was established to oversee the policy as adopted by all centres across the globe.

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. Some other centres have been unable to make any payments this year due to operational costs and lack of consistent contributions to cover these costs as well as their loan repayments. These later centres include: Paris, Abidjan and Geneva. We hope that this situation will change in 2022.

Review the status of officers working for the association

All Trustees continue to provide their services free of charge.

Khaniqah-I-Nimatullahi

Trustees' Report

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.

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.

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 31 October 2022 and signed on its behalf by:

.....
Dr A Nurbakhsh
Trustee

.....
Mr Seyed Javad Zokai
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 31 October 2022 and signed on its behalf by:

.....
Dr A Nurbakhsh
Trustee

.....
Mr Seyed Javad Zokai
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 Khaniqah-I-Nimatullahi for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity trustees of Khaniqah-I-Nimatullahi you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Khaniqah-I-Nimatullahi'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

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of Khaniqah-I-Nimatullahi as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting 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

27 October 2022

Khaniqah-I-Nimatullahi

Statement of Financial Activities for the Year Ended 31 December 2021

	Note	Unrestricted £	Restricted £	Total 2021 £
Income and Endowments from:				
Donations and legacies	2	35,865	9,262	45,127
Other trading activities	3	12,038	-	12,038
Investment income	4	63,094	-	63,094
Other gains/losses	5	(52,804)	-	(52,804)
Total Income	5	58,193	9,262	67,455
Expenditure on:				
Charitable activities	6	(173,557)	(63)	(173,620)
Total Expenditure		(173,557)	(63)	(173,620)
Net movement in funds		(115,364)	9,199	(106,165)
Reconciliation of funds				
Total funds brought forward		2,597,013	48,602	2,645,615
Total funds carried forward	14	2,481,649	57,801	2,539,450
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		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	14	2,597,014	48,602	2,645,616

The notes on pages 9 to 15 form an integral part of these financial statements.

Khaniqah-I-Nimatullahi
(Registration number: 289194)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	824,536	839,458
Current assets			
Debtors	12	1,641,499	1,762,376
Cash at bank and in hand		<u>188,710</u>	<u>167,176</u>
		1,830,209	1,929,552
Creditors: Amounts falling due within one year	13	<u>(115,295)</u>	<u>(123,395)</u>
Net current assets		<u>1,714,914</u>	<u>1,806,157</u>
Net assets		<u><u>2,539,450</u></u>	<u><u>2,645,615</u></u>
Funds of the charity:			
Restricted income funds			
Restricted funds	14	57,801	48,602
Unrestricted income funds			
Unrestricted funds		<u>2,481,649</u>	<u>2,597,013</u>
Total funds	14	<u><u>2,539,450</u></u>	<u><u>2,645,615</u></u>

The financial statements on pages 7 to 15 were approved by the trustees, and authorised for issue on 31 October 2022 and signed on their behalf by:

.....
Dr A Nurbakhsh
Trustee

.....
Mr Seyed Javad Zokai
Trustee

Khaniqah-I-Nimatullahi

Notes to the Financial Statements for the Year Ended 31 December 2021

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom 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. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

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.

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.

Khaniqah-I-Nimatullahi

Notes to the Financial Statements for the Year Ended 31 December 2021

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

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.

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 foreign currencies are translated unto seterling at the closing rates at the balance sheet date and the exchange differences are included in the statement of financial activities.

Khaniqah-I-Nimatullahi

Notes to the Financial Statements for the Year Ended 31 December 2021

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and legacies;				
Legacies	35,865	9,262	45,127	54,336
	<u>35,865</u>	<u>9,262</u>	<u>45,127</u>	<u>54,336</u>

3 Income from other trading activities

	Unrestricted General £	Total 2021 £	Total 2020 £
Trading income;			
Publication sales	583	583	2,526
Orchard sales	11,455	11,455	6,546
	<u>12,038</u>	<u>12,038</u>	<u>9,072</u>

4 Investment income

	Unrestricted General £	Total 2021 £	Total 2020 £
Interest receivable and similar income;			
Interest receivable on bank deposits	1	1	-
Feed in tariff income	5,833	5,833	637
Rental income	57,260	57,260	58,000
	<u>63,094</u>	<u>63,094</u>	<u>58,637</u>

5 Other gains & losses

	Note	2021 £	2020 £
Profit/(loss) on foreign currency		<u>(52,804)</u>	<u>(4,219)</u>

Khaniqah-I-Nimatullahi

Notes to the Financial Statements for the Year Ended 31 December 2021

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	Total
	General	Restricted	2021	2020
	£	£	£	£
Costs of publications	561	-	561	5,464
Depreciation	42,133	-	42,133	44,865
Premises costs	21,539	-	21,539	51,878
Other costs	28,253	63	28,316	51,447
Donations	-	-	-	33,500
Wages and salaries	70,995	-	70,995	46,065
Governance costs	10,076	-	10,076	11,105
	<u>173,557</u>	<u>63</u>	<u>173,620</u>	<u>244,324</u>

7 Analysis of governance and support costs

Governance costs

	Unrestricted		Total	Total
	General		2021	2020
	£		£	£
Accountancy and independent examiners fee	5,562		5,562	5,256
Other office expenses	4,514		4,514	4,300
Sundry and other costs	-		-	1,549
	<u>10,076</u>		<u>10,076</u>	<u>11,105</u>

8 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2021	2020
	£	£
Depreciation of tangible fixed assets	<u>42,133</u>	<u>44,865</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 2021

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 2021	1,434,034	86,556	2,200	1,522,790
Additions	<u>26,702</u>	<u>509</u>	<u>-</u>	<u>27,211</u>
At 31 December 2021	<u>1,460,736</u>	<u>87,065</u>	<u>2,200</u>	<u>1,550,001</u>
Depreciation				
At 1 January 2021	606,943	75,426	963	683,332
Charge for the year	<u>40,078</u>	<u>1,746</u>	<u>309</u>	<u>42,133</u>
At 31 December 2021	<u>647,021</u>	<u>77,172</u>	<u>1,272</u>	<u>725,465</u>
Net book value				
At 31 December 2021	<u>813,715</u>	<u>9,893</u>	<u>928</u>	<u>824,536</u>
At 31 December 2020	<u>827,091</u>	<u>11,130</u>	<u>1,237</u>	<u>839,458</u>

12 Debtors

	2021 £	2020 £
Due from sister charities	<u>1,641,499</u>	<u>1,762,376</u>

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 2021

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Other loans	105,941	119,141
Accruals	9,354	4,254
	<u>115,295</u>	<u>123,395</u>

14 Funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Balance at 31 December 2021 £
Unrestricted funds				
<i>General</i>				
General	2,597,014	58,193	(173,557)	2,481,650
Restricted funds				
Serving the Needy	50	-	-	50
Mexico fund	63	-	(63)	-
Abidjan Clinic	48,489	9,262	-	57,751
Total restricted funds	<u>48,602</u>	<u>9,262</u>	<u>(63)</u>	<u>57,801</u>
Total funds	<u>2,645,616</u>	<u>67,455</u>	<u>(173,620)</u>	<u>2,539,451</u>

15 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2021 £
Tangible fixed assets	824,536	-	824,536
Current assets	1,785,714	44,495	1,830,209
Current liabilities	(115,295)	-	(115,295)
Total net assets	<u>2,494,955</u>	<u>44,495</u>	<u>2,539,450</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 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 2021

16 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 £105,940 (2020 - £119,140).