

Charity registration number: 289194

Khaniqah-I-Nimatullahi

Annual Report and Financial Statements

for the Year Ended 31 December 2022

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 2022.

Objectives and activities

Objects and aims

The principal objectives of the charity are to promote the spiritual teaching of Sufism, including the establishment of 'Khaniqahs' (Sufi houses) to provide the means to communicate the principles and teachings of Sufism. The charity also provides charitable relief and well-being to those members of the public experiencing hardship in their lives.

Public benefit

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

Khaniqah-I-Nimatullahi

Trustees' Report (continued)

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 worldwide, namely:

- 1 - Online meditation speech and music continue 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.
- 3 - New initiatives are made in having more presence online in social media (Facebook, Instagram ...) as well as constant review of the main web site for the organisation and that of the Sufi magazine. Sufi Music, Poetry readings and Podcasts are also added to the Sufi magazine web site. All these attempts have been made to try and reach more people using the platforms that the majority of people are currently engaged in.
- 4 - The Safeguarding policy and guidelines have been agreed and distributed to all centres across the globe and should now be part of their operational routine. Revised guidelines are issued to all centres with measures on how to hold meetings as they move in and out of isolation. Once again 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 impacted by the Covid-19 pandemic. It was therefore decided not to hold the June 2022 annual event and visits to all centres remain restricted. However, the charity is continuing to receive donations and it is not expected that 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.

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, Burkina Fasso and Geneva. Current indications show that most of these centres would be in a position to make some repayments before the end of December 2022.

Khaniqah-I-Nimatullahi

Trustees' Report (continued)

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 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 Zokai 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 have indicated that they wish to retire before the end of December 2022. Discussions would be put in place to delegate their current duties to other members within the organisation.

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 13 September 2023 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 Charities (Accounts and Reports) Regulations 2008, 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 13 September 2023 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 2022.

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

Since Khaniqah-I-Nimatullahi's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of , which is one of the listed bodies.

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

18 September 2023

Khaniqah-I-Nimatullahi

Statement of Financial Activities for the Year Ended 31 December 2022

	Note	Unrestricted £	Restricted £	Total 2022 £
Income and Endowments from:				
Donations and legacies	2	59,106	154,678	213,784
Other trading activities	3	139,015	-	139,015
Investment income	4	63,400	-	63,400
Other gains/losses	5	69,726	-	69,726
Total Income	5	331,247	154,678	485,925
Expenditure on:				
Charitable activities	6	(229,363)	(1,199)	(230,562)
Total Expenditure		(229,363)	(1,199)	(230,562)
Net movement in funds		101,884	153,479	255,363
Reconciliation of funds				
Total funds brought forward		2,481,649	57,801	2,539,450
Total funds carried forward	14	2,583,533	211,280	2,794,813
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		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

The notes on pages 9 to 16 form an integral part of these financial statements.

Khaniqah-I-Nimatullahi
(Registration number: 289194)
Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	798,201	824,536
Current assets			
Debtors	12	1,592,207	1,641,499
Cash at bank and in hand		<u>537,714</u>	<u>188,710</u>
		2,129,921	1,830,209
Creditors: Amounts falling due within one year	13	<u>(133,310)</u>	<u>(115,295)</u>
Net current assets		<u>1,996,611</u>	<u>1,714,914</u>
Net assets		<u><u>2,794,812</u></u>	<u><u>2,539,450</u></u>
Funds of the charity:			
Restricted income funds			
Restricted funds	14	211,280	57,801
Unrestricted income funds			
Unrestricted funds		<u>2,583,532</u>	<u>2,481,649</u>
Total funds	14	<u><u>2,794,812</u></u>	<u><u>2,539,450</u></u>

The financial statements on pages 7 to 16 were approved by the trustees, and authorised for issue on 13 September 2023 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 2022

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.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

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.

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Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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

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 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.

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Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

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.

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and legacies;				
Legacies	59,106	633	59,739	45,127
Grants, including capital grants;				
Government grants	-	154,045	154,045	-
	59,106	154,678	213,784	45,127

3 Income from other trading activities

	Unrestricted General £	Total 2022 £	Total 2021 £
Trading income;			
Publication sales	1,633	1,633	583
Orchard sales	13,582	13,582	11,455
Membership subscriptions	123,800	123,800	-
	139,015	139,015	12,038

4 Investment income

Khaniqah-I-Nimatullahi

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

	Unrestricted		
	General	Total	Total
	£	2022	2021
		£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	1	1	1
Feed in tariff income	4,649	4,649	5,833
Rental income	58,750	58,750	57,260
	<u>63,400</u>	<u>63,400</u>	<u>63,094</u>
5 Other gains & losses			
		2022	2021
	Note	£	£
Profit/(loss) on foreign currency		<u>69,726</u>	<u>(52,804)</u>

Khaniqah-I-Nimatullahi

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

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	2022	2021
	£	£	£	£
Costs of publications	307	-	307	561
Depreciation	40,223	-	40,223	42,133
Premises costs	53,183	-	53,183	21,539
Other costs	55,633	1,199	56,832	28,316
Wages and salaries	65,204	-	65,204	70,995
Governance costs	14,813	-	14,813	10,076
	<u>229,363</u>	<u>1,199</u>	<u>230,562</u>	<u>173,620</u>

7 Analysis of governance and support costs

Governance costs

	Unrestricted		Total	Total
	General		2022	2021
	£		£	£
Accountancy and independent examiners fee	5,762		5,762	5,562
Other office expenses	9,051		9,051	4,514
	<u>14,813</u>		<u>14,813</u>	<u>10,076</u>

8 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2022	2021
	£	£
Depreciation of tangible fixed assets	<u>36,424</u>	<u>42,133</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 2022 (continued)

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 2022	1,460,736	87,065	2,200	1,550,001
Additions	13,443	445	-	13,888
At 31 December 2022	1,474,179	87,510	2,200	1,563,889
Depreciation				
At 1 January 2022	647,021	77,172	1,272	725,465
Charge for the year	38,440	1,551	232	40,223
At 31 December 2022	685,461	78,723	1,504	765,688
Net book value				
At 31 December 2022	788,718	8,787	696	798,201
At 31 December 2021	813,715	9,893	928	824,536

12 Debtors

	2022 £	2021 £
Trade debtors	3,389	-
Due from sister charities	1,588,818	1,641,499
	1,592,207	1,641,499

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 2022 (continued)

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Other loans	92,741	105,941
Accruals	40,569	9,354
	<u>133,310</u>	<u>115,295</u>

14 Funds

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Balance at 31 December 2022 £
Unrestricted funds				
<i>General</i>				
General	2,481,650	331,247	(229,364)	2,583,533
Restricted funds				
Serving the Needy	50	-	-	50
Abidjan Clinic	57,751	633	(301)	58,083
Retreat cottages	-	154,045	(898)	153,147
Total restricted funds	<u>57,801</u>	<u>154,678</u>	<u>(1,199)</u>	<u>211,280</u>
Total funds	<u>2,539,451</u>	<u>485,925</u>	<u>(230,563)</u>	<u>2,794,813</u>

15 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2022 £
Tangible fixed assets	798,201	-	798,201
Current assets	1,920,079	211,280	2,131,359
Current liabilities	(133,312)	-	(133,312)
Total net assets	<u>2,584,968</u>	<u>211,280</u>	<u>2,796,248</u>
	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>

Khaniqah-I-Nimatullahi

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

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 £92,741 (2021 - £105,940).