REGISTERED CHARITY NUMBER: 1010542

TRUSTEES' REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

FOR

MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI
(SCHOOL OF ISLAMIC SUFISM)

mgr ETL LLP
Chartered Accountants
55 Loudoun Road
St John's Wood
London
NW8 0DL

MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI
(SCHOOL OF ISLAMIC SUFISM)

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FOR THE YEAR ENDED 31 DECEMBER 2025

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MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI
(SCHOOL OF ISLAMIC SUFISM)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2025

TRUSTEES	H Rahbari E B Darban A Rezaei (resigned 5.11.2025) S Dundon (appointed 5.11.2025)
PRINCIPAL ADDRESS	23 Edison Road London N8 8AE
REGISTERED CHARITY NUMBER	1010542
INDEPENDENT EXAMINER	mgr ETL LLP Chartered Accountants 55 Loudoun Road St John's Wood London NW8 0DL
BANKERS	Metro Bank 1 Southampton Row London WC1B 5HA
SOLICITORS	Stephen Fidler & Co St Andrews House 66 Shoe Lane London EC4A 3BQ

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

The trustees present their report with the financial statements of the charity for the year ended 31 December 2025. The trustees have adopted the provisions of 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 2019).

The full name of the Charity is Maktab Tarighat Oveyssi Shahmaghsoudi (School of Islamic Sufism), its registered office is PO Box 33805, London, N8 8ZW and its principal operating address is 23 Edison Road, Crouch End, London, N8 8AE. It is part of the global organisation with the same name (the global organisation hereinafter referred to as 'MTO').

OBJECTIVES AND ACTIVITIES

The objects are to establish the teaching and advancement of religion and education in the United Kingdom and elsewhere around the world in accordance with the tenets and doctrines of Sufism as practised by MTO.

During the year the Charity continued to promote Sufism and education as a part of MTO. Its program of lectures and classes in the UK included webcasts from London to students throughout the world. These complemented the broadcasts of related MTO centres elsewhere in Europe and from the United States. The Charity continued to encourage the development of Sufism at universities and other educational institutions in the UK and to promote inter-faith activities and provide charitable donations or services and contributions in local communities.

ACHIEVEMENTS AND PERFORMANCE

The Charity is progressing with the transfer of its assets and operations to the Charitable Incorporated Organisation ('CIO'), registered charity 1156782 with the same name and objects as the Charity. Any on-going donations or receipts are vested to the CIO accounts as part of the transfer policy. The main remaining assets of the Charity are the commercial premises near the London Centre bought in October 2012. They were leased for 5 years from 20th March 2015 to MTO nursery. Following approval from the freeholders, in 2020 a new lease was signed by the subtenants and Trustees.

On 4 April 2025, the Charity varied its lease to remove ground rent and extend the term to 999 years, at a cost of £15,387. The changes resulted in the removal of the £355,280 finance lease liability from the accounts and a corresponding gain of £355,280, recognised as other income in the year. The charity continued to rent the premises and utilise the income for the purposes of the charity. In the meantime, the Trustees will continue to monitor the situation with the new freeholders and also with the sublease to its tenants which is shortening each year. The investment continues to produce a stable income but with early indications of a purchase option by the subtenant, the Trustees will seek further advise and viability of any disposal or new sublease.

FINANCIAL REVIEW

As detailed in the Statement of Financial Activities, the Charity's reserves at the year-end amounted to £1,146,749 of unrestricted funds. The Trust will hold these reserves and further funds as they are received as a buffer for operating costs. In addition they are available to help support other centres abroad or fund additional properties in the UK for holding meetings and lectures as required.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Maktab Tarighat Oveyssi Shahmaghsoudi (School of Islamic Sufism), a Charitable Trust, was registered as a Charity on 14th April 1992. Registration number: 1010542. The governing document is the Deed of Trust dated 18 October 1991 as amended by supplemental deeds dated 9 March 2006, 15 June 2006, 2 January 2009 and 9 April 2009.

The principal place of business is 23 Edison Road, Couch End, London, N8 8AE.

The trustees who served during the year and up to the date of signature of the financial statements were:
H Rahbari
E B Darban
A Rezaei (resigned 5 November 2025)
S Dundon (appointed 5 November 2025)

None of the trustees have been direct beneficiaries of the Charity during the year or the preceding year. No trustees received any remuneration from the Charity during the year (2024 - £Nil) .

A trustee is appointed by recommendation of the trustees, or by proposal of a trustee entitled to vote at a meeting of the Charity.

Induction and training policies for trustees
The Charity follows the guidelines provided by the Charity Commission.

Responsibility of the trustees
The trustees are responsible for the management of the Charity and for the furtherance of the objects for which it is established. Trustees meet on a regular basis to discuss the affairs of the Charity.

Investment powers
The trustees may invest the monies of the Charity not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.

Public Benefit requirement
The trustees have due regard to the guidance set out under section 17(5) of the Charities Act 2011.

Organisation
The day-to-day activities of the Charity continue to be conducted from premises in London and Birtley and at rented premises in other cities in the United Kingdom.

Volunteers
During the year various individuals gave their time in supporting the Charity's activities. The value of this substantial support cannot be readily quantified and has not been included in the financial statements.

Risk management
The trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems are in place to mitigate the Charity's exposure to the major risks.

Independent examiner
Hannah Bradbury was appointed as the Independent Examiner. A resolution proposing that Hannah Bradbury be reappointed as Independent Examiner will be proposed at the next Annual General Meeting.

Approved by order of the board of trustees on 29 October 2026 and signed on its behalf by:

H. R

H Rahbari - Trustee

Independent examiner's report to the trustees of Maktab Tarighat Oveyssi Shahmaghsoudi (School of Islamic Sufism)

I report to the charity trustees on my examination of the accounts of Maktab Tarighat Oveyssi Shahmaghsoudi (School of Islamic Sufism) (the Trust) for the year ended 31 December 2025.

Responsibilities and basis of report

As the charity trustees of the Trust 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 Trust's accounts carried out under Section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under Section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, 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 the Trust 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 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.

Hannah Bradbury FCCA

mgr ETL LLP
Chartered Accountants
55 Loudoun Road
St John's Wood
London
NW8 0DL

Date: 30/10/2026

MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI
(SCHOOL OF ISLAMIC SUFISM)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	31.12.25 Unrestricted fund £	31.12.24 Total funds £
INCOME AND ENDOWMENTS FROM			
Investment income	3	55,830	60,083
Other income	4	355,280	-
Total		411,110	60,083
EXPENDITURE ON			
Raising funds	5	7,432	20,922
Charitable activities			
Share of governance costs		6,000	4,530
Total		13,432	25,452
NET INCOME		397,678	34,631
RECONCILIATION OF FUNDS			
Total funds brought forward		749,071	714,440
TOTAL FUNDS CARRIED FORWARD		1,146,749	749,071

The notes form part of these financial statements

MAKTAB TARIGHAT OVEYSSI SHAHMAGHSOUDI
(SCHOOL OF ISLAMIC SUFISM)

BALANCE SHEET
31 DECEMBER 2025

	Notes	31.12.25 Unrestricted fund £	31.12.24 Total funds £
FIXED ASSETS			
Investment property	9	780,000	780,000
CURRENT ASSETS			
Debtors	10	8,562	17,373
Cash at bank		398,050	329,193
		406,612	346,566
CREDITORS			
Amounts falling due within one year	11	(39,863)	(27,483)
NET CURRENT ASSETS		366,749	319,083
TOTAL ASSETS LESS CURRENT LIABILITIES		1,146,749	1,099,083
CREDITORS			
Amounts falling due after more than one year	12	-	(350,012)
NET ASSETS		1,146,749	749,071
FUNDS	14		
Unrestricted funds		1,146,749	749,071
TOTAL FUNDS		1,146,749	749,071

The financial statements were approved by the Board of Trustees and authorised for issue on 29 October 2026 and were signed on its behalf by:

H. R

H Rahbari - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Going concern
At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Incoming resources
Rent receivable is accrued on a day to day basis.

Other income
Other income includes gains arising on the extinguishment of finance lease obligations. Such gains are recognised in the Statement of Financial Activities when the related liability is extinguished and are measured by reference to the carrying amount of the liability derecognised.

Resources expended
All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

Charitable activities include costs of services and support costs.

Governance costs are those costs incurred in the management of the charity's assets, organisational administration, and compliance with constitutional and statutory requirements.

Cost of raising funds are those associated with rental and investment income.

Investment property
Investment properties are included in the balance sheet at their open market value as estimated by the trustees.

Taxation
The charity is exempt from tax on income and gains falling within the Taxes Act 1988, s. 505 or the Taxation of Chargeable Gains Act 1992, s. 252 to the extent that these are applied to its charitable objectives.

The charity is not VAT registered. As such, expenditure is shown inclusive of VAT.

Charitable funds
General unrestricted funds represent unrestricted income which is expendable at the discretion of the Trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance working capital.

continued...

1. ACCOUNTING POLICIES - continued

Charitable funds

Restricted funds represent income received which are allocated by the donor for specific purposes which are therefore not available for other purposes.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is recognised in the Statement of Financial Activities so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income arising from the letting of the charity's investment properties under operating leases, including any lease incentives granted, is recognised on a straight line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are diminished.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Valuation of investment properties

Investment properties are stated at fair value. The trustees based this on observable market prices.

continued...

3. INVESTMENT INCOME

	31.12.25	31.12.24
	£	£
Rental income	55,830	60,083

4. OTHER INCOME

	31.12.25	31.12.24
	£	£
Gain on extinguishment of finance lease liability	355,280	-

During the year, the charity entered into Deeds of Variation which removed the ground rent provision and extended the lease term to 999 years. The total cost of the variations was £15,387.

As a result of these changes, the lease no longer meets the definition of a finance lease, and the finance lease liability of £355,280 at that date has been derecognised. The resulting gain of £339,893, stated after the costs of the variations, has been recognised in other income in the year.

5. RAISING FUNDS

Investment management costs

	31.12.25	31.12.24
	£	£
Investment property costs	2,963	4,217
Interest payable and similar charges	4,469	16,705
	7,432	20,922

6. SUPPORT COSTS

	Governance costs
	£
Share of governance costs	6,000

Governance costs represents the support costs incurred in administering, the management of charity affairs and complying with its statutory and constitutional obligations.

continued...

6. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

Governance costs

	31.12.25 Share of governance costs	31.12.24 Total activities
	£	£
Independent examiner fees	6,000	4,530

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2025 nor for the year ended 31 December 2024.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2025 nor for the year ended 31 December 2024.

Trustees

The average number of Trustees during the year was 3 (2024: 3).

The Trustees are named as Additional Assureds under the liability insurances of the Charity at no additional cost.

8. EMPLOYEES

There were no employees in the current and preceding year.

9. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2025 and 31 December 2025	780,000
NET BOOK VALUE	
At 31 December 2025	780,000
At 31 December 2024	780,000

The investment properties are stated in the accounts at the Trustees' estimate of market value at the balance sheet date. There has been no valuation by an independent party.

continued...

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.25	31.12.24
	£	£
Trade debtors	8,562	17,373

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.25	31.12.24
	£	£
Finance leases (see note 13)	-	800
Trade creditors	313	313
Other creditors	39,550	26,370
	39,863	27,483

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.25	31.12.24
	£	£
Finance leases (see note 13)	-	350,012

13. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	31.12.25	31.12.24
	£	£
Net obligations repayable:		
Within one year	-	800
Between one and five years	-	3,200
In more than five years	-	346,812
	-	350,812

In the prior year, finance lease payments represented ground rent payable by the charity for its investment properties. The average lease term was 125 years.

On 4 April 2025, the charity entered into Deeds of Variation which removed the ground rent provision and extended the lease term to 999 years. As a result of these changes, the lease no longer meets the definition of a finance lease, and the finance lease liability at that date was derecognised, as described in note 4.

Included within expenditure on raising funds is finance lease interest of £4,469 (2024: £16,705).

The investment properties have been sublet under operating leases with lease terms up to 15 years.

continued...

13. LEASING AGREEMENTS - continued

At the reporting date, the Charity had future minimum lease payments receivable under the non-cancellable operating lease of £442,432 which is receivable as follows:

	31.12.25	31.12.24
	£	£
Within one year	48,000	48,000
Between one and five years	192,000	192,000
In more than five years	202,432	251,836
	442,432	491,836

14. MOVEMENT IN FUNDS

	At 1.1.25	Net movement in funds	At 31.12.25
	£	£	£
Unrestricted funds			
General fund	749,071	397,678	1,146,749
TOTAL FUNDS	749,071	397,678	1,146,749

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	411,110	(13,432)	397,678
TOTAL FUNDS	411,110	(13,432)	397,678

Comparatives for movement in funds

	At 1.1.24	Net movement in funds	At 31.12.24
	£	£	£
Unrestricted fund	714,440	34,631	749,071
TOTAL FUNDS	714,440	34,631	749,071

continued...

14. MOVEMENT IN FUNDS - continued

Comparative net movement in funds included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted fund	60,083	(25,452)	34,631
TOTAL FUNDS	60,083	(25,452)	34,631

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

15. RELATED PARTY DISCLOSURES

The charity made donations or loans, shared costs with or received income from other charities which form part of the global organisation using the name MTO.

Creditors include £313 (2024: £313) due to MTO USA.

Other creditors include accruals of £39,514 (2024: £25,534) due to MTO CIO for expenses which have not been reimbursed.

16. CHARITY INFORMATION

Maktab Tarighat Oveyssi Shahmaghsoudi (School of Islamic Sufism) is a charitable trust registered with the Charity Commission for England and Wales. The principal place of business is 23 Edison Road, Crouch End, London, N8 8AE.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.