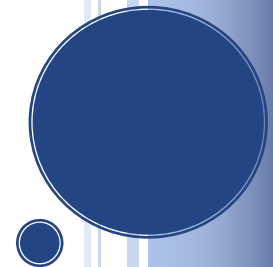


# PROGRAMME OPTIONS FOR THE BETTER UTILISATION OF THE ISLAMIC INSTITUTE FOR POSTGRADUATE STUDIES

## A Cost Comparison



# About This Study

- Analyses the potential costs of running additional courses alongside the existing 4 year *Muballigheen Training Programme* (MTP) at the Islamic Institute for Postgraduate Studies (IIPS) based in Damascus, Syria
- The 4 year MTP remains the core programme for all options under consideration
- The analysis also evaluates the potential cost implications of relocating the IIPS to Najaf, Iraq
- The authors are independent of the World Federation and its affiliates and are not part of the Khoja Community.

# Background

## THE IIPS

- Founded 4 years
- Capacity to accommodate 30 students in its 3 lecture theatres
- IIPS has a target of target of teaching 15 students every year

## THE COURSE

- Combines standard Islamic seminary training modules with modern academic subjects
- 4 year MTP which includes an MA degree accredited by Winchester University
- Designed to train Muballigheen with the necessary competencies to be able to serve the 120 Jamaats that are members of the World Federation and Regional Federations

## THE STUDENTS

- Students receive free accommodation as well as a stipend and are taught by a high-quality faculty

## FAILINGS

- Currently serves 5 students (2 couples and 1 single person)
- Latent demand for such courses is evidenced by the student numbers at Qum and the establishment of a Hawza by Madagascan Khojas in Najaf, Iraq.
- The existing marketing campaign has failed to attract students which has resulted in the under-utilisation of facilities in Damascus.

# Analysis Model

Analysis model is designed to allow direct comparison between each of the options:

1. 4 year MTP. This is the core course and the reason for the creation of the IIPS
2. 1 year MA. This option analyses the cost implications of running a 1 year MA alongside the 4 year MTP
3. 1 year Arabic course. This option analyses the cost implications of running a 1 year non-secular Arabic course alongside the 4 year MTP
4. The final option considers the cost implications of running the core 4 year MTP, as well as options 2, 3 and 4 simultaneously

NB, neither inflation or political risk have been factored into the model

# Scenarios

For each option in each section, 3 scenarios have been input into the analysis model;

1. Under-performance - a total of 10 students
2. Optimal - a total of 15 students
3. Over-performance - a total of 20 students

Tables for each scenario can be found in Appendix 2

# Analysis

- If student numbers can be increased then the 4 year MTP alone is the most cost effective option
- If annual intake of 4 year MTP students cannot be increased then:
  - The most cost effective option is to run a 1 year, non-secular, Arabic course in parallel to the 4 year MTP
  - The introduction of an Arabic course is likely to result in the IIPS facilities being fully utilised but will not contribute to its stated goal of training Muballigheen

# Analysis

- The option to initiate a 1 year MA, alongside the core 4 year MTP is also attractive:
  - It allowa students from Qum and other Hawzas to complete their studies at the IIPS and qualify with a UK degree
  - The costs for this option are higher than other options

# Analysis

- Running all options simultaneously:
  - Practically difficult as it will result in 3 separate programmes being run in parallel while remaining limited to 3 class rooms (in Damascus) which can only accommodate 10 students each.
- Due to the high setup costs in Najaf, the Iraqi option seems unattractive at first glance:
  - However, on-going running costs are lower in Najaf than in Syria
  - Najaf would be a lower cost option in the long-term.

# Political Risk

- Arab world is experiencing a period of upheaval
- This has been acutely felt in Iraq for a number of years
- Currently being felt in Syria
- Security is likely to be a key concern for all potential participants and their families

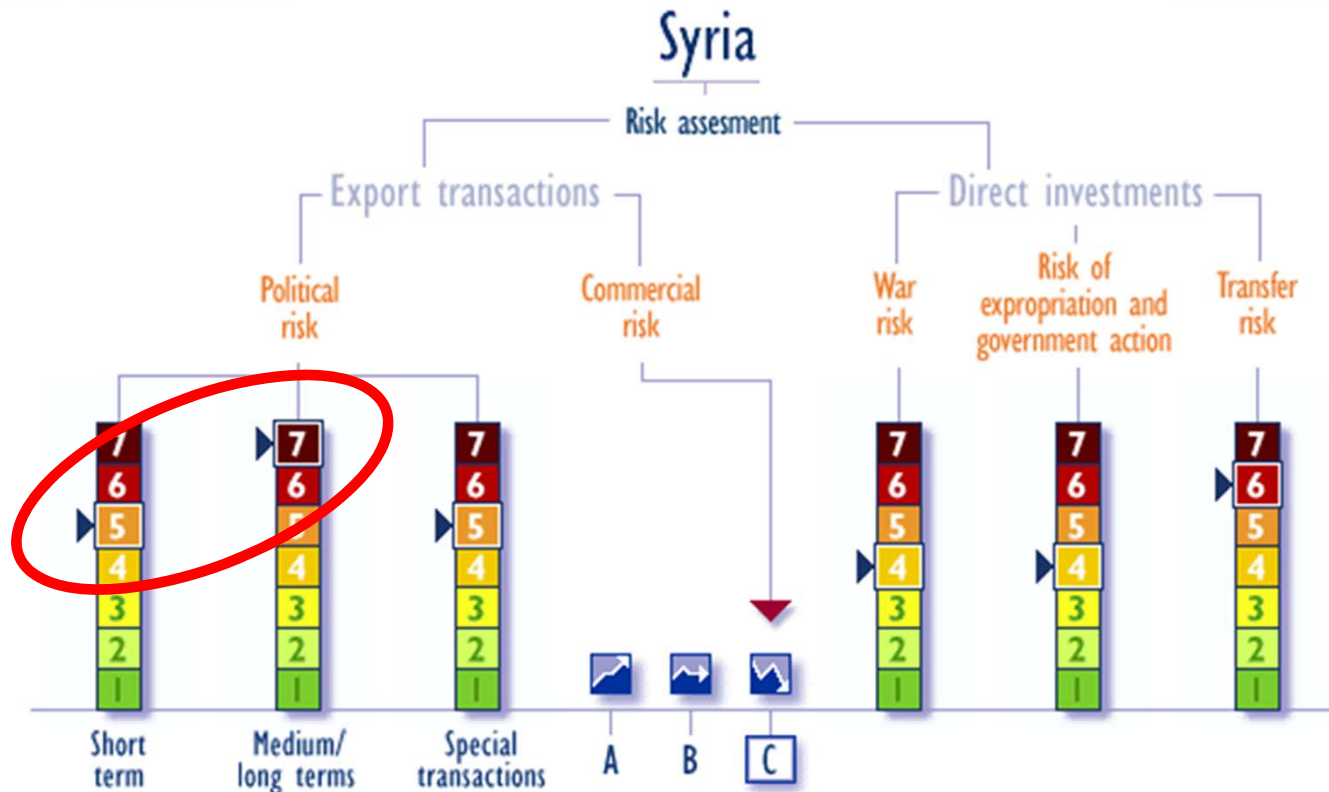
# Political Risk

- The Organisation for Economic Cooperation and Development (OECD) currently rates the country credit risk for both Syria and Iraq at 7 out of 7, i.e. the highest level of risk (as at 31/03/2011)
- Such economic and political risk indicators provide a valuable insight into how both countries are perceived in terms of doing business and long-term stability.

# Political Risk

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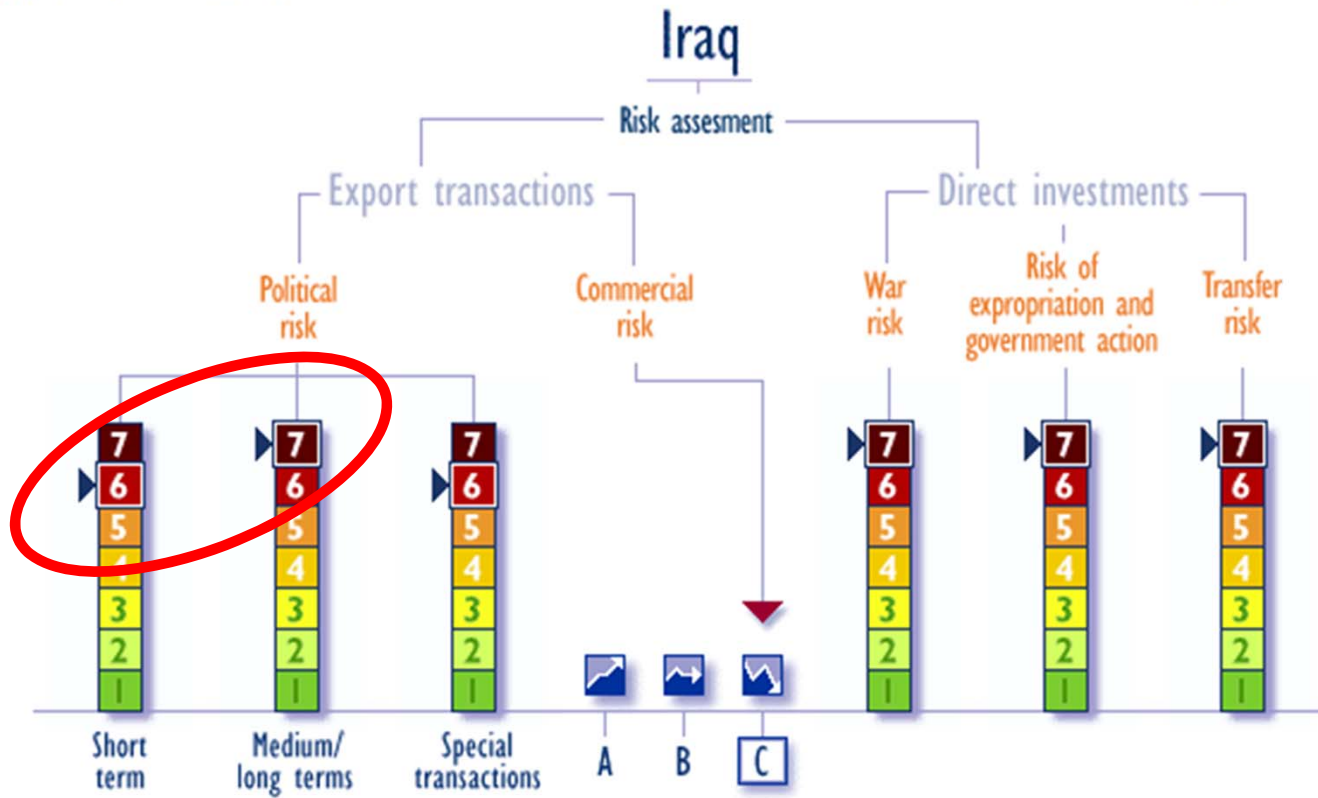
Last update: 12/04/2011



# Political Risk

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Last update: 11/04/2011



# Recommendations

4 year MTP is core to the objectives of the IIPS

1. Evaluate methods of attracting more students to the core 4 year MTP
  - Requires an understanding of why students are currently choosing not to study at the IIPS
2. Conduct a demand study into the establishment of a 1 year MA to attract students from other Hawzas
  - To complete their studies with a UK post-graduate qualification

# Appendix 1 - Assumptions

|                       |                                                                                             |
|-----------------------|---------------------------------------------------------------------------------------------|
| <b>General</b>        | There are no couples with children                                                          |
| <b>1 Year MA</b>      | 1 year MA runs in parallel to the 4 year MTP                                                |
| <b>Arabic courses</b> | Arabic course is run in parallel to the 4 year MTP<br>Arabic course is of a 1 year duration |
| <b>Najaf</b>          | Assume 220 actual working days a year - 5 days per week<br>less 40 days holiday             |

# Appendix 2 – Scenario analysis

## UNDER-PERFORMANCE

| SYRIA - DAMASCUS             |  | COST COMPARISON OF IIPS OPTIONS |  |                 |                |                |                |                 |                |
|------------------------------|--|---------------------------------|--|-----------------|----------------|----------------|----------------|-----------------|----------------|
|                              |  | OPTION 1                        |  | OPTION 2        |                | OPTION 3       |                | OPTION 4        |                |
|                              |  | 4 YEAR MTP                      |  | 1 YEAR MA       | 4 YEAR MTP     | ARABIC COURSE  | 4 YEAR MTP     | ALL COURSES     | 4 YEAR MTP     |
| Duration (Years)             |  | 4                               |  | 1               | 4              | 1              | 4              | x               | 4              |
| Couples                      |  | 3                               |  | 3               | 1              | 3              | 1              | 1               | 1              |
| Singles                      |  | 4                               |  | 1               | 1              | 1              | 1              | 1               | 0              |
| Number of Students           |  | 10                              |  | 7               | 3              | 7              | 3              | 9               | 2              |
| Combined Number of Students  |  |                                 |  | 10              |                | 10             |                | 11              |                |
| <b>SET-UP COSTS</b>          |  |                                 |  |                 |                |                |                |                 |                |
| Setup Costs                  |  | £0                              |  | £0              | £0             | £0             | £0             | £0              | £0             |
| <b>ANNUAL COSTS</b>          |  |                                 |  |                 |                |                |                |                 |                |
| Student Costs                |  | £23,200                         |  | £16,400         | £8,400         | £16,400        | £8,400         | £16,800         | £4,000         |
| Program Costs                |  | £4,650                          |  | £21,900         | £6,959         | £3,600         | £6,959         | £32,459         | £6,959         |
| Staff Costs                  |  | £88,026                         |  | £61,393         | £26,383        | £41,910        | £44,866        | £61,496         | £26,030        |
| Overheads                    |  | £28,279                         |  | £19,795         | £8,484         | £19,795        | £8,484         | £21,209         | £7,070         |
| IEB Apportioned Costs        |  | £12,857                         |  | £9,000          | £3,857         | £9,000         | £3,857         | £9,643          | £3,214         |
| Total Annual Costs           |  | £157,012                        |  | £128,488        | £54,082        | £90,705        | £72,565        | £141,607        | £47,272        |
| <b>TOTAL COSTS</b>           |  | <b>£157,012</b>                 |  | <b>£128,488</b> | <b>£54,082</b> | <b>£90,705</b> | <b>£72,565</b> | <b>£141,607</b> | <b>£47,272</b> |
| <b>COMBINED ANNUAL COSTS</b> |  |                                 |  |                 |                |                |                |                 |                |
| COMBINED ANNUAL COSTS        |  | £157,012                        |  | £182,571        |                | £163,271       |                | £188,879        |                |
| COSTS OVER 3 YEARS           |  | £471,035                        |  | £547,712        |                | £489,812       |                | £566,638        |                |
| COSTS OVER 4 YEARS           |  | £628,047                        |  | £730,282        |                | £653,082       |                | £755,517        |                |

## UNDER-PERFORMANCE

| IRAQ - NAJAF                |  | COST COMPARISON OF IIPS OPTIONS |  |           |            |               |            |             |            |
|-----------------------------|--|---------------------------------|--|-----------|------------|---------------|------------|-------------|------------|
|                             |  | OPTION 1                        |  | OPTION 2  |            | OPTION 3      |            | OPTION 4    |            |
|                             |  | 4 YEAR MTP                      |  | 1 YEAR MA | 4 YEAR MTP | ARABIC COURSE | 4 YEAR MTP | ALL COURSES | 4 YEAR MTP |
| Duration (Years)            |  | 4                               |  | 1         | 4          | 1             | 4          | x           | 4          |
| Couples                     |  | 3                               |  | 3         | 1          | 3             | 1          | 1           | 1          |
| Singles                     |  | 4                               |  | 1         | 1          | 1             | 1          | 1           | 0          |
| Number of Students          |  | 10                              |  | 7         | 3          | 7             | 3          | 9           | 2          |
| Combined Number of Students |  |                                 |  | 10        |            | 10            |            | 11          |            |
| SET-UP COSTS                |  |                                 |  |           |            |               |            |             |            |
| Setup Costs                 |  | £57,267                         |  | £41,147   | £17,635    | £41,147       | £17,635    | £7,954      | £2,651     |
| ANNUAL COSTS                |  |                                 |  |           |            |               |            |             |            |
| Student Costs               |  | £15,150                         |  | £10,605   | £4,545     | £10,666       | £4,606     | £9,090      | £3,030     |
| Program Costs               |  | £3,438                          |  | £21,900   | £3,438     | £3,600        | £3,438     | £25,500     | £3,438     |
| Staff Costs                 |  | £54,782                         |  | £38,122   | £16,410    | £31,864       | £21,668    | £39,420     | £14,862    |
| Overheads                   |  | £55,642                         |  | £38,949   | £16,692    | £38,949       | £16,692    | £41,731     | £13,910    |
| IEB Apportioned Costs       |  | £12,857                         |  | £9,000    | £3,857     | £9,000        | £3,857     | £9,643      | £3,214     |
| Total Annual Costs          |  | £141,868                        |  | £118,577  | £44,942    | £94,078       | £50,261    | £125,384    | £38,454    |
| TOTAL COSTS                 |  | £199,135                        |  | £159,724  | £62,577    | £135,226      | £67,896    | £133,338    | £41,106    |
| COMBINED ANNUAL COSTS       |  |                                 |  |           |            |               |            |             |            |
| COMBINED ANNUAL COSTS       |  | £199,135                        |  | £222,300  |            | £203,122      |            | £174,443    |            |
| COSTS OVER 3 YEARS          |  | £482,872                        |  | £549,337  |            | £491,801      |            | £502,120    |            |
| COSTS OVER 4 YEARS          |  | £624,741                        |  | £712,856  |            | £636,141      |            | £665,959    |            |

# OPTIMAL

| SYRIA - DAMASCUS            |            | COST COMPARISON OF IIPS OPTIONS |           |            |               |            |             |            |  |
|-----------------------------|------------|---------------------------------|-----------|------------|---------------|------------|-------------|------------|--|
|                             | OPTION 1   |                                 | OPTION 2  |            | OPTION 3      |            | OPTION 4    |            |  |
|                             | 4 YEAR MTP |                                 | 1 YEAR MA | 4 YEAR MTP | ARABIC COURSE | 4 YEAR MTP | ALL COURSES | 4 YEAR MTP |  |
| Duration (Years)            | 4          |                                 | 1         | 4          | 1             | 4          | X           | 4          |  |
| Couples                     | 5          |                                 | 4         | 2          | 4             | 2          | 1           | 2          |  |
| Singles                     | 5          |                                 | 2         | 1          | 2             | 1          | 1           | 2          |  |
| Number of Students          | 15         |                                 | 10        | 5          | 10            | 5          | 9           | 6          |  |
| Combined Number of Students |            |                                 | 15        |            | 15            |            | 15          |            |  |
| SET-UP COSTS                |            |                                 |           |            |               |            |             |            |  |
| Setup Costs                 | £0         |                                 | £0        | £0         | £0            | £0         | £0          | £0         |  |
| ANNUAL COSTS                |            |                                 |           |            |               |            |             |            |  |
| Student Costs               | £35,600    |                                 | £21,600   | £12,400    | £21,600       | £12,400    | £16,800     | £13,600    |  |
| Program Costs               | £4,650     |                                 | £21,900   | £6,959     | £3,600        | £6,959     | £32,459     | £6,959     |  |
| Staff Costs                 | £88,776    |                                 | £59,017   | £29,509    | £39,915       | £47,111    | £39,487     | £49,039    |  |
| Overheads                   | £28,279    |                                 | £18,852   | £9,426     | £18,852       | £9,426     | £14,139     | £14,139    |  |
| IEB Apportioned Costs       | £12,857    |                                 | £8,571    | £4,286     | £8,571        | £4,286     | £6,429      | £6,429     |  |
| Total Annual Costs          | £170,162   |                                 | £129,941  | £62,579    | £92,539       | £80,182    | £109,314    | £90,165    |  |
| TOTAL COSTS                 | £170,162   |                                 | £129,941  | £62,579    | £92,539       | £80,182    | £109,314    | £90,165    |  |
| COMBINED ANNUAL COSTS       |            |                                 |           |            |               |            |             |            |  |
|                             | £170,162   |                                 | £192,521  |            | £172,721      |            | £199,479    |            |  |
| COSTS OVER 3 YEARS          | £510,485   |                                 | £577,562  |            | £518,162      |            | £598,438    |            |  |
| COSTS OVER 4 YEARS          | £680,647   |                                 | £770,082  |            | £690,882      |            | £797,917    |            |  |

# OPTIMAL

| IRAQ - NAJAF                 |  | COST COMPARISON OF IIPS OPTIONS |  |                 |                |                 |                |                 |                |
|------------------------------|--|---------------------------------|--|-----------------|----------------|-----------------|----------------|-----------------|----------------|
|                              |  | OPTION 1                        |  | OPTION 2        |                | OPTION 3        |                | OPTION 4        |                |
|                              |  | 4 YEAR MTP                      |  | 1 YEAR MA       | 4 YEAR MTP     | ARABIC COURSE   | 4 YEAR MTP     | ALL COURSES     | 4 YEAR MTP     |
| Duration (Years)             |  | 4                               |  | 1               | 4              | 1               | 4              | X               | 4              |
| Couples                      |  | 5                               |  | 4               | 2              | 4               | 2              | 1               | 2              |
| Singles                      |  | 5                               |  | 2               | 1              | 2               | 1              | 1               | 2              |
| Number of Students           |  | 15                              |  | 10              | 5              | 10              | 5              | 9               | 6              |
| Combined Number of Students  |  |                                 |  | 15              |                | 15              |                | 15              |                |
| <b>SET-UP COSTS</b>          |  |                                 |  |                 |                |                 |                |                 |                |
| Setup Costs                  |  | £63,327                         |  | £41,208         | £20,604        | £41,208         | £20,604        | £7,575          | £7,575         |
| <b>ANNUAL COSTS</b>          |  |                                 |  |                 |                |                 |                |                 |                |
| Student Costs                |  | £22,725                         |  | £15,150         | £7,575         | £15,271         | £7,636         | £9,090          | £9,090         |
| Program Costs                |  | £3,438                          |  | £21,900         | £3,438         | £3,600          | £3,438         | £25,500         | £3,438         |
| Staff Costs                  |  | £55,532                         |  | £36,855         | £18,427        | £30,346         | £23,436        | £26,039         | £29,243        |
| Overheads                    |  | £55,642                         |  | £37,094         | £18,547        | £37,094         | £18,547        | £27,821         | £27,821        |
| IEB Apportioned Costs        |  | £12,857                         |  | £8,571          | £4,286         | £8,571          | £4,286         | £6,429          | £6,429         |
| Total Annual Costs           |  | £150,193                        |  | £119,571        | £52,273        | £94,883         | £57,342        | £94,879         | £76,020        |
| <b>TOTAL COSTS</b>           |  | <b>£213,520</b>                 |  | <b>£160,779</b> | <b>£72,877</b> | <b>£136,091</b> | <b>£77,946</b> | <b>£102,454</b> | <b>£83,595</b> |
| <b>COMBINED ANNUAL COSTS</b> |  |                                 |  |                 |                |                 |                |                 |                |
| COMBINED ANNUAL COSTS        |  | £213,520                        |  | £233,655        |                | £214,037        |                | £186,048        |                |
| COSTS OVER 3 YEARS           |  | £513,907                        |  | £577,342        |                | £518,488        |                | £527,845        |                |
| COSTS OVER 4 YEARS           |  | £664,101                        |  | £749,186        |                | £670,713        |                | £698,744        |                |

## OVER-PERFORMANCE

| SYRIA - DAMASCUS             |  | COST COMPARISON OF IIPS OPTIONS |  |                 |                |                |                |                 |                |
|------------------------------|--|---------------------------------|--|-----------------|----------------|----------------|----------------|-----------------|----------------|
|                              |  | OPTION 1                        |  | OPTION 2        |                | OPTION 3       |                | OPTION 4        |                |
|                              |  | 4 YEAR MTP                      |  | 1 YEAR MA       | 4 YEAR MTP     | ARABIC COURSE  | 4 YEAR MTP     | ALL COURSES     | 4 YEAR MTP     |
| Duration (Years)             |  | 4                               |  | 1               | 4              | 1              | 4              | X               | 4              |
| Couples                      |  | 8                               |  | 5               | 3              | 5              | 3              | 2               | 2              |
| Singles                      |  | 4                               |  | 2               | 2              | 2              | 2              | 1               | 1              |
| Number of Students           |  | 20                              |  | 12              | 8              | 12             | 8              | 15              | 5              |
| Combined Number of Students  |  |                                 |  | 20              |                | 20             |                | 20              |                |
| <b>SET-UP COSTS</b>          |  |                                 |  |                 |                |                |                |                 |                |
| Setup Costs                  |  | £0                              |  | £0              | £0             | £0             | £0             | £0              | £0             |
| <b>ANNUAL COSTS</b>          |  |                                 |  |                 |                |                |                |                 |                |
| Student Costs                |  | £43,200                         |  | £25,600         | £17,600        | £25,600        | £17,600        | £24,800         | £12,400        |
| Program Costs                |  | £4,650                          |  | £21,900         | £6,959         | £3,600         | £6,959         | £32,459         | £6,959         |
| Staff Costs                  |  | £89,276                         |  | £53,516         | £35,760        | £35,923        | £51,603        | £54,367         | £34,409        |
| Overheads                    |  | £28,279                         |  | £16,967         | £11,311        | £16,967        | £11,311        | £18,852         | £9,426         |
| IEB Apportioned Costs        |  | £12,857                         |  | £7,714          | £5,143         | £7,714         | £5,143         | £8,571          | £4,286         |
| Total Annual Costs           |  | £178,262                        |  | £125,697        | £76,773        | £89,805        | £92,616        | £139,049        | £67,480        |
| <b>TOTAL COSTS</b>           |  | <b>£178,262</b>                 |  | <b>£125,697</b> | <b>£76,773</b> | <b>£89,805</b> | <b>£92,616</b> | <b>£139,049</b> | <b>£67,480</b> |
| <b>COMBINED ANNUAL COSTS</b> |  |                                 |  |                 |                |                |                |                 |                |
| COMBINED ANNUAL COSTS        |  | £178,262                        |  | £202,471        |                | £182,421       |                | £206,529        |                |
| COSTS OVER 3 YEARS           |  | £534,785                        |  | £607,412        |                | £547,262       |                | £619,588        |                |
| COSTS OVER 4 YEARS           |  | £713,047                        |  | £809,882        |                | £729,682       |                | £826,117        |                |

## OVER-PERFORMANCE

| IRAQ - NAJAF                 |  | COST COMPARISON OF IIPS OPTIONS |  |                 |                |                 |                |                 |                |
|------------------------------|--|---------------------------------|--|-----------------|----------------|-----------------|----------------|-----------------|----------------|
|                              |  | OPTION 1                        |  | OPTION 2        |                | OPTION 3        |                | OPTION 4        |                |
|                              |  | 4 YEAR MTP                      |  | 1 YEAR MA       | 4 YEAR MTP     | ARABIC COURSE   | 4 YEAR MTP     | ALL COURSES     | 4 YEAR MTP     |
| Duration (Years)             |  | 4                               |  | 1               | 4              | 1               | 4              | X               | 4              |
| Couples                      |  | 8                               |  | 5               | 3              | 5               | 3              | 2               | 2              |
| Singles                      |  | 4                               |  | 2               | 2              | 2               | 2              | 1               | 1              |
| Number of Students           |  | 20                              |  | 12              | 8              | 12              | 8              | 15              | 5              |
| Combined Number of Students  |  |                                 |  | 20              |                | 20              |                | 20              |                |
| <b>SET-UP COSTS</b>          |  |                                 |  |                 |                |                 |                |                 |                |
| Setup Costs                  |  | £64,842                         |  | £38,905         | £25,937        | £38,905         | £25,937        | £12,120         | £6,060         |
| <b>ANNUAL COSTS</b>          |  |                                 |  |                 |                |                 |                |                 |                |
| Student Costs                |  | £30,300                         |  | £18,180         | £12,120        | £18,301         | £12,241        | £15,150         | £7,575         |
| Program Costs                |  | £3,438                          |  | £21,900         | £3,438         | £3,600          | £3,438         | £25,500         | £3,438         |
| Staff Costs                  |  | £56,032                         |  | £33,569         | £22,463        | £27,312         | £26,970        | £35,378         | £20,154        |
| Overheads                    |  | £55,642                         |  | £33,385         | £22,257        | £33,385         | £22,257        | £37,094         | £18,547        |
| IEB Apportioned Costs        |  | £12,857                         |  | £7,714          | £5,143         | £7,714          | £5,143         | £8,571          | £4,286         |
| Total Annual Costs           |  | £158,268                        |  | £114,748        | £65,420        | £90,312         | £70,049        | £121,694        | £54,000        |
| <b>TOTAL COSTS</b>           |  | <b>£223,110</b>                 |  | <b>£153,654</b> | <b>£91,357</b> | <b>£129,217</b> | <b>£95,986</b> | <b>£133,814</b> | <b>£60,060</b> |
| <b>COMBINED ANNUAL COSTS</b> |  | <b>£223,110</b>                 |  | <b>£245,010</b> |                | <b>£225,203</b> |                | <b>£193,873</b> |                |
| <b>COSTS OVER 3 YEARS</b>    |  | <b>£539,647</b>                 |  | <b>£605,347</b> |                | <b>£545,925</b> |                | <b>£545,260</b> |                |
| <b>COSTS OVER 4 YEARS</b>    |  | <b>£697,916</b>                 |  | <b>£785,516</b> |                | <b>£706,286</b> |                | <b>£720,954</b> |                |

# Appendix 3 - Key Contributors

- Developed based on input from:
- Dr Mahmood Abdulla, Dean of the IIPS
- Sheikh Muhammad Khalfan, author of a report into the Hawza established by Madagascan Khojas in Najaf
- With support from office bearers and staff of the World Federation

# About Us

Abacus Gold is a full-service, London-based, accountancy, taxation and business advisory practice. It specialises in SMEs, charities and social enterprises. The firm's consultants help their clients by;

- removing the burden of legal compliance
- optimising the tax position of corporate entities and individuals
- developing management information
- delivering financial training
- creating business plans and forecasts
- guiding strategy development

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