

The Council of European Jamaats
Consolidated Financial Statements
31 December 2017

FAIRMAN DAVIS

Chartered Accountants & Statutory Auditors
Suite 16, Exhibition House
Addison Bridge Place
London
W14 8XP

The Council of European Jamaats

Consolidated Financial Statements

Year ended 31 December 2017

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The Council of European Jamaats

Trustees' Annual Report

Year ended 31 December 2017

The trustees present their report and the financial statements of the Charity for the year ended 31 December 2017.

Reference and administrative details

Charity registration number 1096111

Principal office
The Council of European Jamaats
Unit 101, 1st Floor
Metroline House
118-122 College Road
Harrow
HA1 1BQ

The Trustees

Dr A Mohamedali	Mr R Rahim	
Dr H Jiwa	Mr G Datoo	
Mr I Kassam	Mr R Bhamani	
Mr A Arif Hirdjee	Mr S Hamir	
Mr M Bharwani	Mr H Rahemtulla	
Mr M Rajwani	Mr M Najafi	
Miss E Jeraj	Mr K Shah	(Appointed 03/12/2017)
Mr K Jaffer	Mr A Daya	(Appointed 03/12/2017)
Mr M Gulamhusein	Mr M Rashid	(Appointed 03/12/2017)
Mrs W Rahim	Mr M Datoo	(Appointed 03/12/2017)
Syed M Naqvi	Mr M Shigari	(Appointed 05/03/2017)
Mrs S Canani-Sajan	Mr B Rajani	(Appointed 17/06/2017)
Dr R Alidina	Mr A Jetha	(Appointed 14/02/2017)
Mr A Hedaraly	Mr A Poptani	(Retired 03/12/2017)
Mr J Bandali	Mr S Charifou	(Retired 14/02/2017)
Mr S Rehmtullah	Mr M Nensi	(Retired 07/04/2017)
Mr A Merali	Mr A Khaku	(Retired 17/09/2017)
Mr M Ladak	Mr R Hassan	(Retired 03/12/2017)
Mr F Haji	Mr S Govani	(Retired 05/03/2017)
Mr Q Mawjee	Mr M Walji	(Retired 17/06/2017)
Mr M Remtulla	Mr M Gulamhussein	(Retired 03/12/2017)
Mr M Hirani	Mr M Jaffer	(Retired 03/12/2017)

Auditors

Fairman Davis
Chartered Accountants & Statutory Auditors
Suite 16, Exhibition House
Addison Bridge Place
London
W14 8XP

The Council of European Jamaats

Trustees' Annual Report *(continued)*

Year ended 31 December 2017

Bankers

National Westminster Bank plc
Cathedral Square
Peterborough
PE1 1XH

Habib Bank AG Zurich
42 Moorgate
London
EC2R 6JJ

Structure, governance and management

The Charity is governed by its constitution and is constituted as a charitable trust. The constitution was adopted on 15 December 2002 and as amended on 01 December 2013.

The trustees of The Council of European Jamaats are the members of the council of management. They are, for the purposes of the constitution, officers of the Charity.

The trustees are responsible for the overall management and control of the Charity and meet regularly to manage its affairs. Staff resources are divided into religious, finance and administration.

Objectives and activities

The object for which the Charity has been established is to promote and advance the Islamic Religion in accordance with the principles of the Shia Ithna-Asheri faith. The Charity through its Executive Committee shall have the power:

- (a) To encourage the practice of the Islamic Religion as taught by Shia Ithna-Asheri Sharia throughout Europe
- (b) To eradicate poverty
- (c) To advance education amongst the community through more courses
- (d) To relieve those in need by reason of youth, age, ill health, disability, financial hardship or other disadvantages
- (e) To do all such other things as shall further the above-mentioned objects

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, in planning future activities, and setting the grant making policy for the year.

In addition to the above objectives, during 2018 the Charity intends to hold courses and revision camps, covering a variety of academic subjects at various levels to assist students in their quest for educational excellence.

The Charity also aims to foster closer relationships amongst the elderly by facilitating various meetings and seminars as well as holding social events in the year.

The Council of European Jamaats

Trustees' Annual Report *(continued)*

Year ended 31 December 2017

Achievements and performance

The trustees are pleased that the achievements and performance of the Trust, as set out below, demonstrate concrete progress during the year.

The Charity has organised several events, activities and programmes to fulfil its objectives using all mediums at its disposal to promote the services provided.

Amongst the activities held during the year were the following:

- Interfaith activities and seminars
- Publishing:
 - regular publications for members
 - publications for the promotion of interfaith activities and religion
 - religious materials for use by members
- Arranging seminars and events
- Organising:
 - Media training
 - Seminars and events for women and senior citizens
 - Annual conferences for religious scholars and students
 - Summer camps for young girls and boys
 - Annual sports tournaments for both ladies and gents
 - Fund raising activities for a number of relief and humanitarian projects
 - Medical screening for members
- Medical updates through the website and emails targeted to members
- Enhancing relationships with other charities
- Working with government departments and Charity Commission on mutual projects
- Promotion of education, both secular and religious through seminars, courses and camps
- Revamp and maximize the utilization of the Charity's website

There has been continued growth of the Charity over the past several years. We have now doubled our volunteer base, so the number of volunteers is increasing exponentially. Developments and improvements across all main areas during 2017 have enabled the Charity to enhance its services to its members.

Financial review

The results of the Group's activities are shown on pages 8 to 26 of the financial statements.

The Incoming Resources of the Group increased by 19% to £2,580,198 (Charity only 26% to £2,198,751) and the Group's Resources Expended increased by 50% to £2,489,579 (Charity only – increased by 81% to £1,934,076).

At the balance sheet date, the Charity has voluntary designated funds amounting to £256,185 (2016 - £191,124). These funds comprise gift aid donations and will be used towards the purchase of freehold property.

Designated funds are unrestricted funds consisting of amounts allocated by the trustees for Charity purposes. Investment income and gains are allocated to the unrestricted funds.

General funds amounted to £1,460,954 (2016 - £1,095,380) at the balance sheet date. These are unrestricted funds which are available for use at the discretion of the trustees to further the general objects of the Charity and which have not been designated for other purposes.

Restricted funds comprise unexpended balances of donations held on trust to be applied for specific purposes.

The Council of European Jamaats

Trustees' Annual Report *(continued)*

Year ended 31 December 2017

The trustees are pleased to announce that the performance of CoEJ Investments Limited was satisfactory and the subsidiary was able to donate a substantial sum to the Charity.

With respect to the Charity's other subsidiary, European Hajj Company Limited, the trustees are pleased to announce that the performance of this subsidiary exceeded expectations and the subsidiary was able to donate a substantial sum to the charity.

Key management personnel remuneration

The Office Bearers, comprising the President, Vice President, Secretary General, Treasurer, Assistant Secretary General and Assistant Treasurer are considered to be the key management personnel of the Charity, in charge of directing and controlling the Charity and running its day to day operations. All trustees give of their time freely and no trustee remuneration was paid in the year.

Trustees are required to disclose all relevant interests and register them with the Board of Trustees, and, in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises.

Details of trustee expenses and related party transactions are disclosed in note 21 to the accounts.

Risk management

The trustees have assessed the major risks to which the charity may be exposed, in particular those relating to meeting payments to suppliers and the use of restricted funds. The trustees are also satisfied that systems are in place to mitigate exposure to these risks and the processes implemented are designed to minimise any impact on the Charity, should any of these risks materialise.

Reserves policy

The trustees aim to maintain reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure. The trustees consider that a level of three months will provide sufficient funds to cover any unexpected expenditure requirements and ensure that support and governance costs are covered.

Plans for future periods

In the forthcoming year, the Charity will aim to:

- Promote and support excellence in the delivery of its activities
- Ensure strong governance, leadership and accountability
- To hold regular meetings and engage with member organisations
- To oversee the operation of its two subsidiaries
- To ensure financial stability and viability of the Charity

The Council of European Jamaats

Trustees' Annual Report *(continued)*

Year ended 31 December 2017

Trustees' responsibilities statement

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

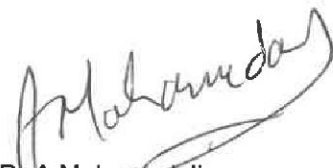
The law applicable to charities in England and Wales requires the Charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, of the Charity for that period.

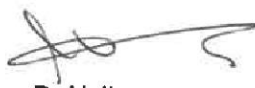
In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 Trust Deed. They 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' annual report was approved on 16/07/2018 and signed on behalf of the board of trustees by:


Dr A Mohammedali
President


Dr H Jiwa
Vice President


Mr M Bharwani
Treasurer

The Council of European Jamaats

Independent Auditor's Report to the Members of The Council of European Jamaats

Year ended 31 December 2017

Opinion

We have audited the financial statements of The Council of European Jamaats (the "Charity") for the year ended 31 December 2017 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The Council of European Jamaats

Independent Auditor's Report to the Members of The Council of European Jamaats

Year ended 31 December 2017

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report. We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Fairman Davis
Chartered Accountants & Statutory Auditors
Suite 16, Exhibition House
Addison Bridge Place, London
W14 8XP

23/07/18

The Council of European Jamaats
Consolidated Statement of Financial Activities
For the year ended 31 December 2017

				2017	2016
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	4	353,339	1,400,462	1,753,801	1,242,529
Other income	5	422,930	403,467	826,397	937,437
Total income		<u>776,269</u>	<u>1,803,929</u>	<u>2,580,198</u>	<u>2,179,966</u>
Expenditure					
Expenditure on charitable activities	6,7	(367,654)	(1,566,422)	(1,934,076)	(1,064,982)
Other expenditure	11	(191,118)	(364,385)	(555,503)	(593,586)
Total expenditure		<u>(558,772)</u>	<u>(1,930,807)</u>	<u>(2,489,579)</u>	<u>(1,658,568)</u>
Net income and net movement in funds		<u>217,497</u>	<u>(126,878)</u>	<u>90,619</u>	<u>521,398</u>
Revaluation of tangible fixed assets		37,160	-	37,160	-
Reconciliation of funds					
Total funds brought forward		1,058,952	220,387	1,279,339	757,941
Total funds carried forward		<u>1,313,609</u>	<u>93,509</u>	<u>1,407,118</u>	<u>1,279,339</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The Council of European Jamaats
Statement of Financial Activities (Charity)
For the year ended 31 December 2017

				2017	2016
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	4	798,289	1,400,462	2,198,751	1,742,529
Total income		<u>798,289</u>	<u>1,400,462</u>	<u>2,198,751</u>	<u>1,742,529</u>
Expenditure					
Expenditure on charitable activities	6,7	(367,654)	(1,566,422)	(1,934,076)	(1,064,982)
Total expenditure		<u>(367,654)</u>	<u>(1,566,422)</u>	<u>(1,934,076)</u>	<u>(1,064,982)</u>
Net income and net movement in funds		<u>430,635</u>	<u>(165,960)</u>	<u>264,675</u>	<u>677,547</u>
Reconciliation of funds					
Total funds brought forward		1,286,504	219,377	1,505,881	828,334
Total funds carried forward		<u>1,717,139</u>	<u>53,417</u>	<u>1,770,556</u>	<u>1,505,881</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

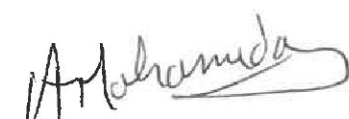
The Council of European Jamaats

Consolidated Balance Sheet


As at 31 December 2017

		2017 £	2016 £
Fixed assets			
Tangible fixed assets	15	1,469,997	1,176,091
Current assets			
Debtors	17	136,712	366,293
Cash at bank and in hand	18	<u>512,628</u>	<u>477,729</u>
		649,340	844,022
Creditors: amounts falling due within one year	19	<u>(712,219)</u>	<u>740,774</u>
Net current assets		(62,879)	103,248
Total assets less current liabilities		<u>1,407,118</u>	<u>1,279,339</u>
Net assets		<u>1,407,118</u>	<u>1,279,339</u>
Funds of the charity			
Restricted funds		93,509	220,387
Unrestricted funds		1,313,609	1,058,952
Total charity funds		<u>1,407,118</u>	<u>1,279,339</u>

These financial statements were approved by the board of trustees and authorised for issue on 16/07/2018 and are signed on behalf of the board by:


Dr A Mohamedali
President


Dr H Jiwa
Vice President


Mr M Bharwani
Treasurer

The notes on pages 13 to 26 form part of these financial statements.

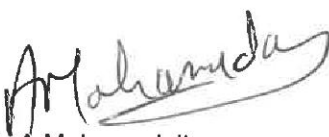
The Council of European Jamaats

Balance Sheet (Charity)

As at 31 December 2017

		2017	2016
		£	£
Fixed assets			
Tangible fixed assets	15	5,797	3,971
Investments		101	101
		<u>5,898</u>	<u>4,072</u>
Current assets			
Debtors	17	1,947,349	1,783,825
Cash at bank and in hand	18	510,935	448,713
		<u>2,458,284</u>	<u>2,232,538</u>
Creditors: amounts falling due within one year	19	<u>(693,626)</u>	<u>730,729</u>
Net current assets		<u>1,764,658</u>	<u>1,501,809</u>
Total assets less current liabilities		<u>1,770,556</u>	<u>1,505,881</u>
Net assets		<u>1,770,556</u>	<u>1,505,881</u>
Funds of the charity			
Restricted funds	8	53,417	219,377
Unrestricted funds	8	1,717,139	1,286,504
Total charity funds		<u>1,770,556</u>	<u>1,505,881</u>

These financial statements were approved by the board of trustees and authorised for issue on 16/07/2018 and are signed on behalf of the board by:


Dr A Mohamedali
President


Dr H Jiwa
Vice President


Mr M Bharwani
Treasurer

The notes on pages 13 to 26 form part of these financial statements.

The Council of European Jamaats

Consolidated Statement of Cash Flows

As at 31 December 2017

	2017	2016
	£	£
Cash flows from operating activities		
Net income for the year	90,619	521,398
Adjustments for:		
Dividends, interest and rents from investments	(422,930)	(538,067)
Depreciation	162,793	133,005
Increase in debtors	229,581	(16,663)
Decrease in creditors	(28,555)	(233,705)
Net cash (used in) operating activities	<u>31,508</u>	<u>(134,032)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	422,930	538,067
Purchase of investments	(415,720)	(240,000)
Purchase of fixed assets	(3,819)	(396)
Net cash from investing activities	<u>3,391</u>	<u>297,671</u>
Cash flows from financing activities		
Bank loan received	-	-
Net cash from financing activities	<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the year	34,899	163,639
Cash and cash equivalents at beginning of year	477,729	314,090
Cash and cash equivalents at end of year	<u>512,628</u>	<u>477,729</u>

The notes on pages 13 to 26 form part of these financial statements.

The Council of European Jamaats

Notes to the Financial Statements

Year ended 31 December 2017

1. General information

The Charity is a registered charity in England and Wales and is unincorporated. The financial statements are prepared in sterling, which is the functional currency of the entity.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

Going concern

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

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the Charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for a particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the Charity; it is probable that the economic benefits associated with the transaction will flow to the Charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

The Council of European Jamaats

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	- over the life of the asset
Fixtures and fittings	- 20% straight line
Equipment	- 20% straight line

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

The Council of European Jamaats

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Investment properties are measured initially at cost, and subsequently at fair value at the reporting date.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments, regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

The Council of European Jamaats

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

4. Donations and legacies

Consolidated	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Donations				
Donations	53,361	—	53,361	40,440
Subscriptions	12,300	—	12,300	10,800
East Africa Trip	11,317	—	11,317	13,342
Marriage Seminar	480	—	480	—
Iran Trip	25,243	—	25,243	15,555
Other Misc Activities	52,528	—	52,528	—
MAMT - Gents	15,615	—	15,615	19,198
Leadership Development Programme	25,343	—	25,343	13,614
Women's Retreat	—	—	—	3,220
Young Girls Camp	—	—	—	2,610
MAMT – Ladies	6,371	—	6,371	12,005
Youth Conference	—	—	—	215
Summer Camp	20,670	—	20,670	26,572
Madressa of Excellence	29,000	—	29,000	20,444
WF Grant	75,000	—	75,000	150,000
Gift Aid Income	26,111	—	26,111	28,358
General Donations	—	1,400,462	1,400,462	886,156
	<u>353,339</u>	<u>1,400,462</u>	<u>1,753,801</u>	<u>1,242,529</u>

Charity	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Donations				
Donations	53,361	—	53,361	40,440
Subscriptions	12,300	—	12,300	10,800
East Africa Trip	11,317	—	11,317	13,342
Marriage Seminar	480	—	480	—
Iran Trip	25,243	—	25,243	15,555
Other Misc Activities	52,528	—	52,528	—
MAMT - Gents	15,615	—	15,615	19,198
Leadership Development Programme	25,343	—	25,343	13,614
Women's Retreat	—	—	—	3,220
Young Girls Camp	—	—	—	2,610
MAMT – Ladies	6,371	—	6,371	12,005
Youth Conference	—	—	—	215
Summer Camp	20,670	—	20,670	26,572
Madressa of Excellence	29,000	—	29,000	20,444
WF Grant	75,000	—	75,000	150,000
Gift Aid Income	26,111	—	26,111	28,358
General Donations	—	1,400,462	1,400,462	886,156
Donation from CoEJ Investments Ltd	406,000	—	406,000	500,000
Donation from European Hajj Company	26,950	—	26,950	—
Other Miscellaneous activities	12,000	—	12,000	—
	<u>798,289</u>	<u>1,400,462</u>	<u>2,198,751</u>	<u>1,742,529</u>

The Council of European Jamaats

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

5. Other income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Hajj Income – European Hajj Company Ltd	–	403,467	404,467
Rent Receivable - CoEJ Investments Ltd	422,930		422,930
	<u>422,930</u>	<u>403,467</u>	<u>826,397</u>
Previous year	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Hajj Income – European Hajj Company Ltd	–	399,370	399,370
Rent Receivable - CoEJ Investments Ltd	538,067	–	538,067
	<u>538,067</u>	<u>399,370</u>	<u>937,437</u>

6. Expenditure on charitable activities – Consolidated and the Charity

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
East Africa Trip	9,740	-	9,740	10,107
Iran Trip	39,495	-	39,495	12,789
MAMT – Gents	36,506	-	36,506	25,376
Leadership Development Programme	26,283	-	26,283	34,131
Summer Camp – Boys	-	-	-	750
Women Retreat	-	-	-	4,392
Young Girls Camp	3,348	-	3,348	2,606
MAMT – Ladies	3,418	-	3,418	16,891
Youth Conference	-	-	-	2,285
Marriage Seminar	1,374	-	1,374	1,145
Summer Camp	35,338	-	35,338	44,647
Madresa Of Excellence	38,834	-	38,834	18,806
Competitions	-	-	-	60
Seniors Gathering	2,000	-	2,000	1,200
Madressa	90	-	90	93
HIB board	-	-	-	3452
Other Misc Activities	32,224	-	32,224	-
CoEJ Academy	4,931	-	4,931	-
Other Donations	18,974	-	18,974	9,324
Foreign Exchange Loss	-	-	-	12,250
Support Costs (Note 7)	115,099	-	115,099	122,034
Other Charitable Activities (Note 8)	-	1,566,422	1,566,422	742,642
Other courses and projects	-	-	-	-
	<u>367,654</u>	<u>1,566,422</u>	<u>1,934,076</u>	<u>1,064,982</u>

The Council of European Jamaats

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

7. Expenditure on charitable activities – Support costs

Charity

	2017 £	2016 £
Rent	16,349	11,760
Rates	2,022	1,486
Photocopier Rental	3,273	2,062
Travelling	4,517	5,336
Meeting Expenses	1,869	1,904
Printing, Postage and Stationary	1,746	1,926
Telephone & Internet	1,336	2,353
Cleaning	179	209
Software & Website	4,465	7,450
ID Checks	3,965	2,717
Professional Fees	2,400	-
Accountancy Fees	1,000	-
Insurance	1,123	532
Refurbishment Expenses	3,865	-
Forex Loss	583	(23)
Bank & Card Charges	3,461	3,392
Marketing	3,570	7,670
Salaries & social security costs	48,597	62,940
Audit Fees	3,000	3,500
Recruitment Expenses	1,846	2,070
General Expenses	1,832	1,734
Subscription	2,108	2,012
Depreciation	1,993	1,004
	115,099	122,034

The Council of European Jamaats

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

8. Analysis of movement in Funds – Charity

Restricted Funds

	Opening Balance £	Receipts £	Payments £	Closing Balance £
Essex	939	7,700		8,639
Peterborough	2	294,213	(294,213)	2
Leeds	1,354		(1,354)	-
Khair ul Ammal	-	-	-	-
WHIPAS	(865)	1,170	(45)	260
Al Mahdi Institute	200	-	-	200
TV Channel's	70	-	-	70
Al Zahra Trust	-	-	-	-
Eid Gifts	(214)	215	-	1
European Refugee Crisis 2015	15,385	2,033	(5,105)	12,313
Khums	107,501	548,862	(641,711)	14,652
Fitra	23,528	43,225	(66,627)	126
Relief Funds	44,883	285,048	(331,497)	(1,566)
Welfare	14,317		(1,800)	12,517
Fidya & Kaffara	10,353	24,001	(34,423)	(69)
Sadaqa	144	124,202	(122,667)	1,679
Zakaat	770	1,073	(1,493)	350
Alim Grant	(710)	55,709	(51,791)	3,208
Muharam Grant	-	2500	(2500)	-
Ramadhan Grant	800			800
Qurbani	210	9,081	(9,006)	285
Ahlulbayt Channel (842)	-	390	(390)	-
Ahleibait TV (836)	(30)			(30)
Hidiyat (806)	(40)	20		(20)
Melbourne	800	1,000	(1,800)	-
Safeer TV	(20)	20		-
	219,377	1,400,462	(1,566,422)	53,417

Unrestricted Funds

	Opening Balance £	Receipts £	Payments £	Closing Balance £
General funds	1,286,504	798,289	367,654	1,717,139
	1,286,504	798,289	367,654	1,717,139

The Council of European Jamaats

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

9. Expenditure on charitable activities by fund type

<i>Consolidated and Charity</i>	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Charitable activity	252,555	1,566,422	1,818,977
Support costs	115,099	-	115,099
	<u>367,654</u>	<u>1,566,422</u>	<u>1,934,076</u>

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £
Previous year			
Charitable activity	200,306	742,642	942,948
Support costs	122,034	-	122,034
	<u>322,340</u>	<u>742,642</u>	<u>1,064,982</u>

10. Expenditure on charitable activities by activity type

<i>Consolidated and Charity</i>	Activities undertaken directly £	Support costs £	Total funds 2017 £	Total fund 2016 £
Charitable activity	1,818,977	-	1,818,977	942,948
Governance costs	-	115,099	115,099	122,034
	<u>1,818,977</u>	<u>115,099</u>	<u>1,934,076</u>	<u>1,064,982</u>

11. Other expenditure

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Hajj costs	-	359,083	359,083
Repairs	2,480	-	2,480
Administrative costs	176	1,465	1,640
Insurance	638	865	1,504
Bank charges	59	710	769
Charitable donations	25,000	-	25,000
Legal & Professional Fees	1,065	-	1,065
Subscriptions	-	1,007	1,007
Audit Fees	900	1,200	2,100
Depreciation	160,800	-	160,800
Taxation	-	55	55
	<u>191,118</u>	<u>364,385</u>	<u>555,503</u>

The Council of European Jamaats

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

Previous year	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Hajj costs	–	393,709	393,709
Administrative costs	–	926	926
Insurance	180	930	1,110
Bank charges	69	667	736
Charitable donations	60,000	–	60,000
Legal & Professional Fees	1,125	–	1,125
Advertising	–	1,865	1,865
Subscriptions	–	–	–
Audit Fees	900	1,200	2,100
Depreciation	132,000	–	132,000
Taxation	–	15	15
	<u>194,274</u>	<u>399,312</u>	<u>593,586</u>

12. Net income

Net income (consolidated) is stated after charging/(crediting):

	2017 £	2016 £
Audit fees	5,100	5,100
Depreciation of tangible fixed assets	162,793	133,005
Operating lease rentals	–	60
	<u>167,893</u>	<u>138,165</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2017 £	2016 £
Wages and salaries	47,604	61,247
Social security costs	993	1,693
	<u>48,597</u>	<u>62,940</u>

The average head count of employees during the year was 3 (2016: 4).

No employee received employee benefits of £60,000 or more during the year (2016: £ Nil).

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the Charity or a related entity were received by the trustees in this or the previous year.

The Council of European Jamaats

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

15. Tangible fixed assets

Consolidated

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 January 2017	1,425,120	18,453	32,985	1,476,558
Additions	415,720	3,592	227	419,539
Revaluations	37,160			37,160
At 31 December 2017	1,878,000	22,045	33,212	1,933,257
Depreciation				
At 1 January 2017	253,000	15,796	31,671	300,467
Charge for the year	160,800	1,250	743	162,793
At 31 December 2017	413,800	17,046	32,414	463,260
Carrying amount				
At 31 December 2017	1,464,200	4,999	798	1,469,997
At 31 December 2016	1,172,120	2,657	1,314	1,176,091

Charity

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 January 2017	18,453	32,985	51,438
Additions	3,592	227	3,819
At 31 December 2017	22,045	33,212	55,257
Depreciation			
At 1 January 2016	15,796	31,671	47,468
Charge for the year	1,250	743	1,993
At 31 December 2017	17,045	32,414	49,460
At 31 December 2017	4,999	798	5,797
At 31 December 2016	2,657	1,314	3,971

16. Investment Property

	Total £
At 31 December 2017	270,000
At 31 December 2016	105,120

The investment property is included in 'Land & Buildings' (Note 15 - Consolidated) and has been valued by an independent professional valuer. The revalued amount has been reflected in this year's accounts.

The Council of European Jamaats

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

17. Debtors
Consolidated

	2017	2016
	£	£
Prepayments and accrued income	35,703	303,468
Other debtors	101,009	62,825
	<u>136,712</u>	<u>366,293</u>

Charity

	2017	2016
	£	£
Prepayments and accrued income	19,703	1,068
Other debtors	1,927,646	1,782,757
	<u>1,947,349</u>	<u>1,783,825</u>

18. Cash at hand

Consolidated

	2017	2016
	£	£
Current accounts and deposit accounts	512,591	477,204
Cash in hand	37	502
	<u>512,628</u>	<u>477,706</u>

Charity

	2017	2016
	£	£
Current accounts and deposit accounts	510,898	448,210
Cash in hand	37	502
	<u>510,935</u>	<u>448,712</u>

19. Creditors: amounts falling due within one year

Consolidated

	2017	2016
	£	£
Trade creditors	58,286	13,741
Accruals	53,863	5,100
Other creditors	600,070	721,931
	<u>712,219</u>	<u>740,772</u>

Charity

	2017	2016
	£	£
Trade creditors	40,663	13,740
Accruals	52,963	3,000
Other creditors	600,000	713,989
	<u>693,626</u>	<u>730,729</u>

The Council of European Jamaats

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

20. Subsidiary Companies

Included in Debtors are amounts due from

- European Hajj Company Limited:	£4,425	(2016 - £7,021)
- CoEJ Investments Ltd:	£1,844,553	(2016 - £1,726,427)

Both the above companies are wholly owned subsidiaries of the Charity by virtue of shareholding.

21. Related party transactions

The Trustees give freely of their time and expertise without any form of remuneration or other benefit in cash or kind (2016: £ Nil).

The following related party transactions took place during the year with the Charity's wholly owned subsidiaries (Note 20).

CoEJ Investments Ltd

	£
Purchase of new investment property (including incidental costs)	115,950
Other expenses related to property	2,176

- Donations received (without conditions) by the Charity from the subsidiary amounted to £406,000 (2016: £ 500,000).

European Hajj Company Limited

	£
Hajj expenses	12,250
Misc transfers and expenses	26,598
Loans disbursed	140,882
Secretariat Cost Income	12,000
Donations to CoEJ (Designated funds)	26,950
Repayment of Loans	(126,281)
Transfer of funds	(91,245)
Misc receipts	(3,750)

22. Analysis of charitable funds

Consolidated

Unrestricted funds

	At 1 January 2017 £	Income £	Expenditure £	At 31 December 2017 £
General funds	867,828	750,158	(558,772)	1,059,215
Designated Funds	191,124	26,111	-	217,235
Revaluation Reserve	-	37,160	-	37,160
	<u>1,058,952</u>	<u>813,429</u>	<u>(558,772)</u>	<u>1,313,609</u>

The Council of European Jamaats

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

Restricted funds

	At 1 January 2017 £	Income £	Expenditure £	At 31 December 2017 £
Restricted Funds	<u>220,387</u>	<u>1,803,929</u>	<u>(1,930,807)</u>	<u>93,509</u>

Charity

Unrestricted funds

	At 1 January 2017 £	Income £	Expenditure £	At 31 December 2017 £
General Funds	1,095,380	733,228	(367,654)	1,460,954
Designated Funds	191,124	65,061	-	256,185
	<u>1,286,504</u>	<u>798,289</u>	<u>(367,654)</u>	<u>1,717,139</u>

Restricted Funds

	At 1 January 2017 £	Income £	Expenditure £	At 31 December 2017 £
Restricted Funds	<u>219,377</u>	<u>1,400,462</u>	<u>(1,566,422)</u>	<u>53,417</u>

23. Subsidiary Company – The European Hajj Company Ltd

The Charity owns the whole of the issued ordinary share capital of The European Hajj Company Limited, a company registered in England and Wales (Reg. No. 08563597). The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the SOFA. The total net profit forms part of the restricted funds of the consolidated accounts. A summary of the results of the subsidiary is shown below:

	2017 £	2016 £
Turnover	403,467	399,370
Cost of Sales	(359,083)	(393,709)
	<u>44,384</u>	<u>5,661</u>
Administrative expenses	(44,197)	(5,587)
	<u>187</u>	<u>74</u>
Taxation	(55)	(15)
Profit for the financial year	<u>132</u>	<u>59</u>

The aggregate of the assets, liabilities and funds was:

	2017 £	2016 £
Assets	23,361	10,253
Liabilities	(22,118)	(9,142)
	<u>1,243</u>	<u>1,111</u>

The Council of European Jamaats

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

24. Subsidiary Company – CoEJ Investments Ltd

The Charity owns the whole of the issued ordinary share capital of CoEJ Investments Limited, a company registered in England and Wales (Reg. No. 06281391). The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the SOFA. The total net profit/(loss) forms part of the unrestricted funds of the consolidated accounts. A summary of the results of the subsidiary is given below:

	2017 £	2016 £
Turnover	422,930	538,067
Administrative expenses	(597,118)	(694,273)
Profit/(Loss) for the financial year	<u>(174,188)</u>	<u>(156,206)</u>

The aggregate of the assets, liabilities and funds was

	2017 £	2016 £
Assets	1,480,877	1,499,779
Liabilities	<u>(1,845,453)</u>	<u>(1,727,327)</u>
	<u>(364,576)</u>	<u>(227,548)</u>