



CHARITY REGISTRATION NUMBER: 1096111

THE COUNCIL OF EUROPEAN JAMAATS

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2018

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 2018

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THE COUNCIL OF EUROPEAN JAMAATS

TRUSTEES' ANNUAL REPORT YEAR ENDED 31 DECEMBER 2018

The trustees present their report and the financial statements of the Charity for the year ended 31 December 2018.

Reference and Administrative Details

Registered Charity No: 1096111 (England & Wales)

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

Trustees:	Dr Akber Mohamedali	
	Mr Mahmood Hooda	Appointed (09/09/2018)
	Mr Murtaza Bharwani	
	Mr Tawfiq Jivraj	
	Mr Mohamed Ladha	Appointed (09/09/2018) and Resigned (09/06/2019)
	Sibtain Raffiq-Fazal	Appointed (09/06/2019)
	Mr Arif Hiridjee	
	Dr Husein Jiwa	
	Dr Munir Datoo	
	Dr Rizwan Alidina	
	Miss Esmat Jeraj	
	Mr Altaf Daya	
	Mr Azad Hedaraly	
	Mr Azim Jetha	
	Mr Barkat Rajani	
	Mr Fayyaz Haji	
	Mr Hussein-Ali Rahemtulla	
	Mr Kamran Shah	
	Mr Mazaher Remtulla	
	Mr Mohammadali Shigari	
	Mr Mukhtarali Hirani	
	Mr Murtaza Gulamhusein	
	Mr Mussadique Ladak	
	Mr Muzaffer Sultanali Rashid	
	Mr Qassim Mawjee	
	Mr Rasool Bhamani	
	Mr Salim Hamir	
	Mr Salim Rehmatullah	
	Mrs Waheeda Rahim	
	Syed Mohammed Naqvi	
	Mr Jassin Pardhan	Appointed (14/07/2018)
	Mr Makbul Jaffer	Appointed (09/09/2018)
	Mr Mohamedtaki Mohamedali Jaffer	Appointed (09/09/2018)
	Mrs Ismat Ramji	Appointed (09/09/2018)
	Mr Imran Najafi	Appointed (15/11/2018)
	Mrs Mariam Hassam	Appointed (16/11/2018)
	Mr Kassam Jaffer	Deceased (08/08/2018)
	Mr Mazaheer Rajwani	Retired (09/09/2018)
	Mr Gulamraza Ahmed Raza Datoo	Retired (09/09/2018)
	Mr Abbasali Merali	Retired (09/09/2018)
	Mr Imran Ali Kassam	Retired (09/09/2018)
	Mr Razahusein Rahim	Retired (09/09/2018)
	Mrs Sajeda Canani	Retired (09/09/2018)
	Mr Jamil Bandali	Retired (09/09/2018)
	Mr Mehdi Najafi	Retired (15/11/2018)

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

THE COUNCIL OF EUROPEAN JAMAATS

TRUSTEES' ANNUAL REPORT (*continued*) YEAR ENDED 31 DECEMBER 2018

Bankers:

Habib Bank AG Zurich
Habib House
42 Moorgate, London
EC2R 6JJ

National Westminster Bank PLC
Cathedral Square
Peterborough
PE1 1XH

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.
- (d) To relieve those in need by reason of youth, age, ill health, and disability, financial hardship or other disadvantages
- (e) To do all such others things as shall further the above-mentioned object.

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 2019 the Charity intends to hold courses, 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)* FOR THE YEAR ENDED 31 DECEMBER 2018

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:

- Publishing:
 - Regular publications for members
 - 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
- 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
- Provide Mediation Services
- 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 2018 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 23 of the financial statements.

The Incoming Resources of the Group increased by 20% to £3,091,785 and the Outgoing Group's Resources decreased by 4% to £2,398,695.

At the balance sheet date, the Charity has voluntary designated funds amounting to £266,098 (2017 - £256,185). 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 is allocated to the unrestricted funds.

General funds amounted to £629,385 (2017 - £1,460,954) 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.

Impairment in respect to tangible fixed assets of £1,033,400 has been made in the accounts. The trustees have made this impairment on a prudent basis.

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)*
FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees were pleased with the performance of CoEJ Investments Limited through to October 2018. Since October 2018, there have been numerous issues with respect to the investment held within CoEJ Investments Ltd. The Trustees have been working diligently with Independent Counsel to ensure the Charity is protected, as well as, trying to secure the investment longer term. The trustee have also made full impairment provision against the assets.

With respect to the Charity's other subsidiary, European Hajj Company Limited, the trustees are pleased to announce that the performance of this subsidiary met its expectations.

In the year, the Charity has invested in 2 companies the sum of £530,105 with a view of receiving regular return on their investment.

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 18 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 approximately £120,000. The trustees consider that a level of three months will provide sufficient funds to cover any unexpected expenditure requirements.

At the year end date free reserves amounted approximately £96,000. The Trustees acknowledge this fall short of their policy and are hoping the restructuring of the Group will yield a positive outcome.

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 subsidiaries
- To ensure financial stability and viability of the Charity

THE COUNCIL OF EUROPEAN JAMAATS

TRUSTEES' ANNUAL REPORT *(continued)* YEAR ENDED 31 DECEMBER 2018

Fundraising Policy

Although the charity is not a member of the Institute of Fundraising it does however abide by the principles of good fundraising practices. The charity doesn't work with or employ third party fundraisers. A complain policy is in operation and the trustees are pleased to confirm that no complain on fundraising or any other matter has come to light.

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).

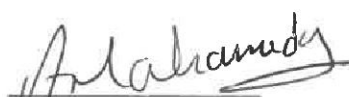
The law applicable to charities in England and Wales requires the Charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, of the Charity for that period.

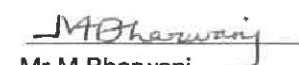
In preparing these financial statements, the trustees are required to:

- 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 05/12/2019 and signed on behalf of the board of trustees by:


Dr A Mohamedali
President


Mr M Bharwani
Secretary General

THE COUNCIL OF EUROPEAN JAMAATS
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE COUNCIL OF EUROPEAN JAMAATS
YEAR ENDED 31 DECEMBER 2018

Opinion

We have audited the financial statements of The Council of European Jamaats (the "Charity") for the year ended 31 December 2018 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 2018 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 AUDITORS' REPORT TO THE MEMBERS OF THE COUNCIL OF EUROPEAN JAMAATS *(continued)* YEAR ENDED 31 DECEMBER 2018

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; or
- 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

Date: 10/12/2019

THE COUNCIL OF EUROPEAN JAMAATS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Income and Endowments					
Donations and Legacies	4	761,543	1,369,490	2,131,033	1,753,801
Other Income	5	332,417	628,334	960,751	826,397
Total Income		1,093,960	1,997,824	3,091,784	2,580,198
Expenditure					
Expenditure on Charitable Activities	6,7	(377,632)	(1,228,624)	(1,606,256)	(1,934,076)
Other Expenditure	8	(164,179)	(628,260)	(792,439)	(555,503)
Total Expenditure		(541,811)	(1,856,884)	(2,398,695)	(2,489,579)
Operating Income		552,149	140,940	693,089	90,619
Revaluation of Tangible Fixed Assets		-	-	-	37,160
Impairment of Tangible Fixed Assets		(1,033,400)	-	(1,033,400)	-
		(1,033,400)	-	(1,033,400)	37,160
Net Income		(481,251)	140,940	(340,311)	127,779
Reconciliation of Funds					
Total funds brought forward		1,313,609	93,509	1,407,118	1,279,339
Total funds carried forward		832,358	234,449	1,066,807	1,407,118

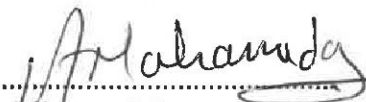
The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

THE COUNCIL OF EUROPEAN JAMAATS

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2018**

	Notes	2018		2017	
		£	£	£	£
Fixed Assets					
Tangible Fixed Assets	12	3,754		1,199,997	
Investment Property	14	270,000		270,000	
Investment		530,105	803,859	-	1,469,997
		<u>530,105</u>		<u>-</u>	
Current Assets					
Debtors	15	34,669		136,712	
Cash at Bank and in Hand		338,792		512,628	
		<u>373,461</u>		<u>649,340</u>	
CREDITORS : amounts falling due within one year	16	<u>(110,513)</u>		<u>(712,219)</u>	
NET CURRENT ASSETS			<u>262,948</u>		<u>(62,879)</u>
Total Assets less Current Liabilities			<u>1,066,807</u>		<u>1,407,118</u>
Net Assets			<u>1,066,807</u>		<u>1,407,118</u>
Funds					
Restricted Funds	20		234,449		93,509
Unrestricted Funds	20		832,358		1,313,609
Total Charity Funds			<u>1,066,807</u>		<u>1,407,118</u>

These financial statements were approved by the board of trustees and authorised for issue on 05/12/2019 and are signed on behalf of the board by:


.....
Dr A Mohamedali
President

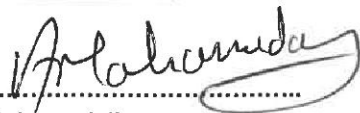

.....
Mr M Bharwani
Secretary General

THE COUNCIL OF EUROPEAN JAMAATS

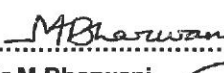
BALANCE SHEET (CHARITY) AS AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
Fixed Assets			
Tangible Assets	12	3,754	5,797
Investments	13	530,206	101
		<u>533,960</u>	<u>5,898</u>
Current Assets			
Debtors	15	356,199	1,947,349
Cash at Bank and in Hand		296,562	510,935
		<u>652,761</u>	<u>2,458,284</u>
CREDITORS : amounts falling due within one year	16	<u>(96,956)</u>	<u>(693,626)</u>
NET CURRENT ASSETS		555,805	1,764,658
Total Assets less Liabilities		<u>1,089,765</u>	<u>1,770,556</u>
Net Assets		<u>1,089,765</u>	<u>1,770,556</u>
Funds			
Restricted Funds	20	194,283	53,417
Unrestricted Funds	20	895,482	1,717,139
Total Charity Funds		<u>1,089,765</u>	<u>1,770,556</u>

These financial statements were approved by the board of trustees and authorised for issue on 05/12/2019 and are signed on behalf of the board by:



 Dr A Mohamedali
 President



 Mr M Bharwani
 Secretary General

THE COUNCIL OF EUROPEAN JAMAATS

**CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2018**

	2018	2017
	£	£
Cash Flows from Operating Activities		
Net Income for the year	693,089	90,619
Adjustments for:		
Dividends, Interest and Rents from Investments	(332,417)	(422,930)
Depreciation	166,798	162,793
(Increase)/Decrease in Debtors	102,043	229,581
Increase/(Decrease) in Creditors	(601,706)	(28,555)
Net Cash from Operating Activities	27,807	31,508
Cash flows from Investing Activities		
Dividends, Interest and Rents Received from Investments	332,417	422,930
Purchase of Investments	(530,105)	(415,720)
Purchase of Fixed Assets	(3,955)	(3,819)
Net Cash (used in) Investing Activities	(201,643)	3,391
Change is Cash and Cash Equivalents in the year	(173,836)	34,899
Cash and Cash Equivalents at the beginning of the year	512,628	477,729
Cash and Cash Equivalents at end of year	338,792	512,628

THE COUNCIL OF EUROPEAN JAMAATS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

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.

Basis of Consolidation

The financial statements consolidate the results of the Charity and its subsidiary undertakings on a line-by-line basis. The entities consolidated are those as listed in note 21 and 22 of the accounts with further analysis provided in respect to these subsidiaries. A separate Statement of Financial Activities for the Charity has not been presented as the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The deficit of the parent Charity was £680,791 (2018: £264,675 surplus). Uniform SORP accounting policies have been applied.

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 confirmed and its amount can be measured reliably

THE COUNCIL OF EUROPEAN JAMAATS
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2018

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 2018

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.

THE COUNCIL OF EUROPEAN JAMAATS
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2018

4 Donations and Legacies

Consolidated	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Donations				
Donations	62,752	-	62,752	53,361
Subscriptions	14,370	-	14,370	12,300
East Africa Trip	-	-	-	11,317
Marriage Seminar	-	-	-	480
Madinah & Bab	26,945	-	26,945	25,243
Other Misc. Activities	80	-	80	52,528
MAMT	28,979	-	28,979	21,986
Leadership Development Program	13,535	-	13,535	25,343
Young Girls Camp	3,100	-	3,100	-
Summer Camp	25,913	-	25,913	20,670
Madrasah Centre of Excellence	33,476	-	33,476	29,000
WF Grant	530,000	-	530,000	75,000
Gift Aid Income	12,913	-	12,913	26,111
General Donations (note 19)	-	1,369,490	1,369,490	1,400,462
Donation from KSIMC Ltd	9,480	-	9,480	-
	761,543	1,369,490	2,131,033	1,753,801

5. Other Income - Consolidated

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Hajj Income- European Hajj Company Ltd	-	628,334	628,334
Rent Receivable- CoEJ Investments Ltd	332,417	-	332,417
	332,417	628,334	960,751

Previous Year

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Hajj Income- European Hajj Company Ltd	-	403,467	403,467
Rent Receivable- CoEJ Investments Ltd	422,930	-	422,930
	422,930	403,467	826,397

THE COUNCIL OF EUROPEAN JAMAATS
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2018

6. Expenditure on Charitable Activities - Consolidated

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
East Africa Trip	2,413	-	2,413	9,740
Madinah & Bab	23,590	-	23,590	39,495
MAMT- Gents	39,514	-	39,514	39,924
Leadership Development Program	19,313	-	19,313	26,283
Summer Camp- Boys	-	-	-	-
Women Retreat	-	-	-	-
Young Girls Camp	3,301	-	3,301	3,348
Youth Conference	-	-	-	-
Marriage Seminar	-	-	-	1,374
Summer Camp	28,915	-	28,915	35,338
Madressa of Excellence	31,111	-	31,111	38,834
Competitions	-	-	-	-
Seniors Gathering	1,416	-	1,416	2,000
Madrasah Centre of Excellence	-	-	-	90
HIB Board	-	-	-	-
Other Misc. Activities	25,669	-	25,669	32,224
CoEJ Academy	1,025	-	1,025	4,931
CoEJ Sports	325	-	325	-
Other Donations	66,056	-	66,056	18,974
Support Costs (Note 7)	134,984	-	134,984	115,099
Other Charitable Activities (Note 19)	-	1,228,624	1,228,624	1,566,422
	377,632	1,228,624	1,606,256	1,934,076

7. Expenditure on Charitable activities - Support Costs
Charity

	2018 £	2017 £
Rent	18,144	16,349
Rates	956	2,022
Photocopier Rental	2,006	3,273
Travelling	1,953	4,517
Meeting Expenses	6,912	1,869
Printing ,Postage and Stationary	1,996	1,746
Telephone & Internet	2,118	1,336
Cleaning	322	179
Software & website	3,924	4,465
ID Checks	3,279	3,965
Professional Fees	9,600	2,400
Accounting Fees	-	1,000
Insurance	1,419	1,123
Refurbishment Expenses	150	3,865
Forex Loss	(580)	583
Bank & Card Charges	2,495	3,461
Marketing	-	3,570
Salaries & Social Security costs	66,623	48,597
Audit Fees	3,000	3,000
Recruitment Expenses	1,570	1,846
General Expenses	1,033	1,832
Subscription	2,066	2,108
Depreciation	5,998	1,993
	134,984	115,099

THE COUNCIL OF EUROPEAN JAMAATS
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2018

8. Other Expenditure

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Hajj Costs	-	621,735	621,735
Repairs	1,035	-	1,035
Administrative Costs	590	1,952	2,542
Insurance	280	865	1,145
Bank Charges	79	74	153
Computer Running Cost	-	1,378	1,378
Legal & Professional Fees	495	-	495
Subscriptions	-	1,004	1,004
Audit Fees	900	1,200	2,100
Depreciation	160,800	-	160,800
Taxation	-	52	52
	164,179	628,260	792,439

Previous Year

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Hajj Costs	-	359,083	359,083
Repairs	2,480	-	2,480
Administrative Costs	176	1,465	1,641
Insurance	638	865	1,503
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
	191,118	364,385	555,503

9. Net Income

Net Income is stated after charging/(crediting):

	2018 £	2017 £
Audit Fees	5,100	5,100
Depreciation of Tangible Fixed Assets	<u>166,798</u>	<u>162,793</u>

THE COUNCIL OF EUROPEAN JAMAATS
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2018

10. Staff Costs

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

	2018 £	2017 £
Wages and salaries	63,379	47,604
Social security costs	1,393	993
Pension	1,151	-
	<u>65,923</u>	<u>48,597</u>

The average head count of employees during the year was 4 (2017:3).

No employee received employee remuneration and benefits of £60,000 or more during the year (2017: £ Nil)

The key management personnel of the charity comprise trustees.

11. Trustee Remuneration and Expenses

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

Travelling expenses amounting to £2,790 (2017: £4,493) were incurred by the trustees

THE COUNCIL OF EUROPEAN JAMAATS
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2018

12. Tangible Fixed Assets
Consolidated

	Land and Buildings £	Fixtures and Fittings £	Equipment £	Total £
Cost				
At 1 January 2018	1,608,000	22,045	33,212	1,663,257
Additions	-	1,348	2,607	3,955
At 31 December 2018	1,608,000	23,393	35,819	1,667,212
Depreciation				
At 1 January 2018	413,800	17,046	32,414	463,260
Charge for the year	160,800	4,679	1,319	166,798
Impairment Charge	1,033,400	-	-	1,033,400
At 31 December 2018	1,608,000	21,724	33,733	1,663,458
Carrying Amount				
At 31 December 2018	-	1,669	2,085	3,754
At 31 December 2017	1,194,200	4,999	798	1,199,997

Charity

	Fixtures and Fittings £	Equipment £	Total £
Cost			
At 1 January 2018	22,045	33,212	55,257
Additions	1,348	2,607	3,955
At 31 December 2018	23,393	35,819	59,212
Depreciation			
At 1 January 2018	17,046	32,414	49,460
Charge for the year	4,679	1,319	5,998
At 31 December 2018	21,724	33,733	55,458
Carrying Amount			
At 31 December 2018	1,669	2,085	3,754
At 31 December 2017	4,999	798	5,797

13. Investment

	Total £
At 1 January 2018	101
Additions	530,105
At 31 December 2018	530,206
At 31 December 2017	101

During the year the Charity made investment in KSIMC Investments Limited and KSIMC Residential Limited. The Charity financially owns 11.48% of the 2 companies.

Previous year's investments relate to investment in subsidiaries and the details are disclosed in Note 17.

14. Investment Property

	Total £
At 31 December 2018	270,000
At 31 December 2017	270,000

The investment property was valued by an independent professional valuer in 2017. In 2018 it is the opinion of the trustees that the market value has not changed since its last valuation by an independent professional valuer. Hence no revaluation adjustment has been made in 2018.

THE COUNCIL OF EUROPEAN JAMAATS
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2018

15. Debtors

Consolidated

	2018	2017
	£	£
Prepayments and Accrued Income	16,321	35,703
Other Debtors	18,348	101,009
	34,669	136,712

Charity

	2018	2017
	£	£
Prepayments and Accrued Income	1,715	19,703
Other Debtors	354,484	1,927,646
	356,199	1,947,349

16. Creditors: amounts falling due within one year

Consolidated

	2018	2017
	£	£
Trade Creditors	34,913	58,286
Accruals	5,600	53,863
Other Creditors	70,000	600,070
	110,513	712,219

Charity

	2018	2017
	£	£
Trade Creditors	23,456	40,663
Accruals	3,500	52,963
Other Creditors	70,000	600,000
	96,956	693,626

17. Subsidiary Company

Included in Debtors are amount due from:

	2018	2017
	£	£
• European Hajj Company Limited	39,237	4,425
• CoEJ Investments Ltd:	300,000	1,844,553

Both the above companies are wholly owned subsidiaries of the charity by virtue of control.

THE COUNCIL OF EUROPEAN JAMAATS
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2018

18. Related Party Transactions

The Trustees give freely of their time and expertise without any form of remuneration or other benefit in cash or any kind (2017: £Nil)

The following related party transactions took place during the year with the Charity's wholly owned subsidiaries (Note 21)

CoEJ Investments Ltd

• Donation received (without conditions) by the Charity from the subsidiary amounted to £339,000 (2017: £406,000)

19 Analysis of Movement in Funds - Charity

Restricted Funds

	Opening Balance £	Income £	Expenditure £	Closing Balance £
Essex	8,639	203,927	(203,927)	8,639
Peterborough	2	11,015	(11,000)	17
Hujjat Funds	-	100,000	(100,000)	-
Paris Funds	-	21,327	(21,277)	50
Birmingham Funds	-	7,095	(4,510)	2,585
Milton Keynes Funds	-	6,000	(6,000)	-
WHIPAS	260	2,960	(500)	2,720
Al Mahdi Institute	200	-	-	200
TV Channel's	71	-	(71)	-
European Refugee Crisis 2015	12,313	-	-	12,313
Khums	14,652	585,526	(566,137)	34,041
Fitra	126	49,447	(44,474)	5,099
Relief Funds	(1,566)	203,318	(140,089)	61,663
Welfare	12,517	500	(6,300)	6,717
Fidya & Kaffara	(69)	22,949	(21,055)	1,825
Sadaqa	1,679	74,758	(28,224)	48,213
Zakaat	350	6,713	(4,107)	2,955
Alim Grant	3,208	64,000	(61,208)	6,000
Muharram Grant	-	3,000	(3,000)	-
Ramadhan Grant	800	1,500	(1,500)	800
Qurbani	285	4,705	(4,915)	75
Ahlulbayt Channel (842)	-	515	(330)	185
Ahlel bait TV (836)	(30)	30	-	-
Hidayat (806)	(20)	20	-	-
Safeer TV	-	185	-	185
	53,417	1,369,490	(1,228,624)	194,283

Unrestricted Funds

	Opening Balance £	Income £	Expenditure £	Closing Balance £
General Funds	1,717,139	1,100,543	1,922,200	895,482
	1,717,139	1,100,543	1,922,200	895,482

THE COUNCIL OF EUROPEAN JAMAATS
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2018

20 Analysis of Charitable Funds

**Consolidated
Unrestricted Funds**

	At 1 Jan 2018	Income	Expenditure	At 31 Dec 2018
	£	£	£	£
General Funds	1,059,215	1,081,047	(1,575,211)	565,051
Designated Funds	217,235	12,912	-	230,147
Revaluation Reserve	37,160	-	-	37,160
	1,313,610	1,093,959	(1,575,211)	832,358

Restricted Funds

	At 1 Jan 2018	Income	Expenditure	At 31 Dec 2018
	£	£	£	£
Restricted Funds	93,509	1,997,824	(1,856,884)	234,449
	93,509	1,997,824	(1,856,884)	234,449

**Charity
Unrestricted Funds**

	At 1 Jan 2018	Income	Expenditure	At 31 Dec 2018
	£	£	£	£
General Funds	1,460,954	1,087,630	(1,919,200)	629,384
Designated Funds	256,185	12,913	(3,000)	266,098
	1,717,139	1,100,543	(1,922,200)	895,482

Restricted Funds

	At 1 Jan 2018	Income	Expenditure	At 31 Dec 2018
	£	£	£	£
Restricted Funds	53,417	1,369,490	(1,228,624)	194,283
	53,417	1,369,490	(1,228,624)	194,283

THE COUNCIL OF EUROPEAN JAMAATS
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2018

21. 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:

	2018 £	2017 £
Turnover	628,334	403,467
Cost of Sales	(621,735)	(359,083)
	6,599	44,384
Administrative Expenses	(6,473)	(44,197)
	126	187
Taxation	(52)	(55)
Profit for the Financial Year	74	132

The aggregate of the assets, liabilities and funds was:

	2018 £	2017 £
Assets	50,111	23,361
Liabilities	(48,794)	(22,118)
	1,317	1,243

22. 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 loss forms part of the unrestricted funds of the consolidated accounts. A summary of the results of the subsidiary is given below:

	2018 £	2017 £
Turnover	332,417	422,930
Administrative Expenses	(1,536,579)	(597,118)
Loss for the Financial Year	(1,204,162)	(174,188)

The aggregate of the assets, liabilities and funds was:

	2018 £	2017 £
Assets	276,730	1,480,877
Liabilities	(1,845,468)	(1,845,453)
	(1,568,738)	(364,576)

