

STRATEGIC REPORT, REPORT OF THE TRUSTEES AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020  
FOR  
EUROPE TRUST  
(A COMPANY LIMITED BY GUARANTEE)

**EUROPE TRUST**

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**For The Year Ended 31 December 2020**

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**EUROPE TRUST**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**For The Year Ended 31 December 2020**

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<b>TRUSTEES</b>	Dr. F Alaoui Bouarraqui Chairman N G Misirli (resigned 21.3.21) Dr. A Abushwaima A J Koubaisy S Bouabdallah M Ibrahim (appointed 20.5.20) I Kady (appointed 20.5.20) S Mohamed (appointed 20.5.20) (resigned 1.8.21) T Aydarus (appointed 20.5.20) S Almahdawi (appointed 25.8.21)
<b>COMPANY SECRETARY</b>	R Al Rawi
<b>REGISTERED OFFICE</b>	MCC Ratby Lane Markfield LE67 9SY
<b>REGISTERED COMPANY NUMBER</b>	04927787 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	1103290
<b>AUDITORS</b>	Fortus Audit LLP Chartered Accountants and Statutory Auditor 31 High View Close Hamilton Office Park Leicester Leicestershire LE4 9LJ

**EUROPE TRUST**  
**STRATEGIC REPORT**  
**For The Year Ended 31 December 2020**

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The trustees present their strategic report for the year ended 31 December 2020.

**REVIEW OF BUSINESS**

The trust was able to generate sufficient incoming resources during the year to make donations in kind estimated to around £113,000, by providing community based organisations in different European countries either rent free or reduced rate lease of the Trust's properties, in furtherance of its objects.

**POLICY ON RESERVES**

Europe Trust has total funds of £8,206,091 (2019: £8,329,708), the majority of which is represented by investment and mixed motive properties.

The properties are used to advance the objects of the charity, by providing a sustainable income to cover the charity's annual operational costs as well for the use of the beneficiaries of the charity.

The charity maintains sufficient liquid reserves to meet the day to day running costs of the charity. Net current assets at 31 December 2020 were £889,834 (2019: £545,673).

**PRINCIPAL FUNDING SOURCES**

The Trust generates income from a combination of rentals from investment properties and donations from other organisations and individuals.

The Trust has grown its property portfolio by acquiring donated properties over many years. No properties were donated to the charity during the year ended 31 December 2020.

**INVESTMENT POLICY**

The Trustees' stated investment policy is to invest in low to medium risk properties and real estate.

Approved by order of the board of trustees on 26/10/21 and signed on its behalf by:



.....  
Dr. F. Alaoui Bouarraqui - Trustee

## EUROPE TRUST

### REPORT OF THE TRUSTEES For The Year Ended 31 December 2020

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### OBJECTIVES AND ACTIVITIES

##### Objectives and aims

The objectives of the charity are:

- The advancement of religion and in particular the Islamic Religion in Europe.
- The establishment of facilities for recreation and other leisure time occupation in the interests of social welfare of deprived communities in Europe and elsewhere with the object of improving the conditions of life of such communities.
- The promotion of any charitable purpose amongst Muslims in Europe and elsewhere and in particular the relief of poverty, the advancement of education and the relief and prevention of suffering caused by mental health, social and or economic circumstances, or by emotional, personal or family problems by the provision of a counselling service or other services as appropriate.
- The establishment of religious, educational, social and recreational institutions by such means as are exclusively charitable.

As part of its strategy, the Charity invests its donations in property so that projects can be funded by a sustained level of income. Income earned from these properties is used to make grants to organisations that further its objectives.

##### Public benefit

The section above entitled 'Objectives and activities' sets out the objects and aims of the Charity. The Trustees have considered this, in conjunction with the guidance contained in the Charity Commission's general guidance on Public Benefit and have concluded that the aims of the Charity continue to be charitable and are for the public benefit.

The Trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

##### Grantmaking

The Trust makes grants as per its criteria following an application process by appropriate bodies as long as the application meets those criteria and as long as they abide by the laws and regulations of the land.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The Charity, being a company limited by guarantee, is governed by its Articles of Association. The objects of the Company are contained in the Memorandum of Association. The Articles of Association include matters such as the election of members, appointment/ removal/ disqualification of Trustees and the powers held by the Trustees.

##### Recruitment and appointment of new trustees

The Board of Trustees is responsible for the recruitment of new trustees.

In seeking new trustees, the Trust seeks to identify people who are experienced individuals in the charity sector and/or businessmen who contribute in identifying/introducing the Trust and its projects and/or individuals that served in well-known organisations.

##### Organisational structure

The Board appoints an Executive Committee, headed by the Chairman of Europe Trust, consisting of trustees to manage the affairs of the Charity. The Committee meets at least twice a year to consider the performance of the charity and respond to emerging issues and risks. The Committee also considers grant applications to the charity and approves them accordingly.

The Executive Manager is accountable to the Executive Committee and is responsible for implementing the decisions of the Committee and the Board of Trustees.

##### Induction and training of new trustees

Trustees are introduced to their new role upon their appointment. The resources available at Charity Commission's website are introduced to them so that they can familiarise themselves in relation to their duties and responsibilities.

## EUROPE TRUST

### REPORT OF THE TRUSTEES For The Year Ended 31 December 2020

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Income uncertainty due to potential reduced rental income resulting from fluctuations in the rental market or empty properties/rooms.

The trustees have spread their income-yielding property investments across different locations and property types. The properties are independently marketed and managed to maintain maximum occupancy and income recovery.

##### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Europe Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

##### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

##### AUDITORS

The auditors, Fortus Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 26/10/21 and signed on its behalf by:



Dr. F. Alaoui Bouarraqui - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
EUROPE TRUST**

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**Opinion**

We have audited the financial statements of Europe Trust (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
EUROPE TRUST**

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**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 the trustees 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 charitable company'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 charitable company 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

We understood how the charitable company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the charitable company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Buckby FCA (Senior Statutory Auditor)  
for and on behalf of Fortus Audit LLP  
Chartered Accountants and Statutory Auditor  
31 High View Close  
Hamilton Office Park  
Leicester  
Leicestershire  
LE4 9LJ

Date: 26/10/21



EUROPE TRUST

STATEMENT OF FINANCIAL ACTIVITIES  
For The Year Ended 31 December 2020

		2020 Unrestricted fund £	2019 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>	Notes		
Donations and legacies	2	227	185
Investment income	3	578,777	745,566
Other income		12,488	-
<b>Total</b>		<u>591,492</u>	<u>745,751</u>
<b>EXPENDITURE ON</b>			
<b>Raising funds</b>			
Raising donations and legacies	4	14,479	50,873
Other trading activities	5	6,837	4,618
		<u>21,316</u>	<u>55,491</u>
<b>Charitable activities</b>	6		
Charitable activities		667,022	667,436
Other		7,756	14,169
<b>Total</b>		<u>696,094</u>	<u>737,096</u>
Net gains/(losses) on investments		(19,015)	-
<b>NET INCOME/(EXPENDITURE)</b>		<u>(123,617)</u>	<u>8,655</u>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward		8,329,708	8,321,053
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>8,206,091</u></u>	<u><u>8,329,708</u></u>

The notes form part of these financial statements

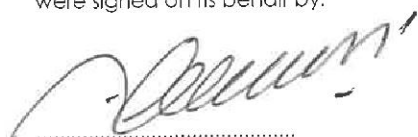
## EUROPE TRUST

BALANCE SHEET  
31 December 2020

		2020 Unrestricted fund £	2019 Total funds £
	Notes		
<b>FIXED ASSETS</b>			
Tangible assets	14	2,716	3,195
<b>Investments</b>			
Investment property	15	2,765,712	2,765,712
Social investments	16	4,604,438	5,085,630
		<u>7,372,866</u>	<u>7,854,537</u>
<b>CURRENT ASSETS</b>			
Debtors	17	106,675	199,338
Cash at bank and in hand		865,078	448,324
		<u>971,753</u>	<u>647,662</u>
<b>CREDITORS</b>			
Amounts falling due within one year	18	(81,919)	(101,989)
		<u>889,834</u>	<u>545,673</u>
<b>NET CURRENT ASSETS</b>			
		8,262,700	8,400,210
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>CREDITORS</b>			
Amounts falling due after more than one year	19	(56,609)	(70,502)
		<u>8,206,091</u>	<u>8,329,708</u>
<b>NET ASSETS</b>			
<b>FUNDS</b>	22		
Unrestricted funds		8,206,091	8,329,708
<b>TOTAL FUNDS</b>		<u>8,206,091</u>	<u>8,329,708</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 26/10/21 and were signed on its behalf by:



F Alaoui Bouarraqui - Trustee

The notes form part of these financial statements

EUROPE TRUST

**CASH FLOW STATEMENT**  
For The Year Ended 31 December 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(21,914)	20,317
Interest paid		(10,228)	(10,228)
Net cash (used in)/provided by operating activities		<u>(32,142)</u>	<u>10,089</u>
<b>Cash flows from investing activities</b>			
Sale of social investments		462,177	-
Interest received		611	895
Net cash provided by investing activities		<u>462,788</u>	<u>895</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(13,892)	(13,892)
Net cash used in financing activities		<u>(13,892)</u>	<u>(13,892)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>416,754</u>	<u>(2,908)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>448,324</u>	<u>451,232</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>865,078</u>	<u>448,324</u>

The notes form part of these financial statements

EUROPE TRUST

NOTES TO THE CASH FLOW STATEMENT  
For The Year Ended 31 December 2020

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(123,617)	8,655
Adjustments for:		
Depreciation charges	479	564
Losses on investments	19,015	-
Interest received	(611)	(895)
Interest paid	10,228	10,228
Decrease/(increase) in debtors	92,662	(9,637)
(Decrease)/increase in creditors	(20,070)	11,402
Net cash (used in)/provided by operations	<u>(21,914)</u>	<u>20,317</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
<b>Net cash</b>			
Cash at bank and in hand	448,324	416,754	865,078
	<u>448,324</u>	<u>416,754</u>	<u>865,078</u>
<b>Debt</b>			
Debts falling due within 1 year	(13,892)	-	(13,892)
Debts falling due after 1 year	(70,502)	13,893	(56,609)
	<u>(84,394)</u>	<u>13,893</u>	<u>(70,501)</u>
<b>Total</b>	<u>363,930</u>	<u>430,647</u>	<u>794,577</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended 31 December 2020**

**1. ACCOUNTING POLICIES****Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Donations and legacies**

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

**Government grants**

Government grants relating to the Coronavirus Job Retention Scheme are recognised in income in the period in which it becomes receivable under the performance model.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

**Raising funds**

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

**Charitable activities**

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 15% on reducing balance

**Investment property and social investments**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Social investments are made in furtherance of the Charity's objects and any investment return is secondary to the charitable purpose supported by the investment. Currently all such investments represent property; the valuation policy applied to social investments is the same as for investment property.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 December 2020**

**1. ACCOUNTING POLICIES - continued****Fund accounting**

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

In the opinion of the trustees there are no activities giving rise to restricted funds.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Borrowings**

Interest bearing borrowings are initially recorded at fair value, net of transaction costs. Interest bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount of the redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

**Going concern - COVID-19**

The directors have considered the impact of COVID-19 in relation to their assessment of going concern and in their opinion have taken all reasonable steps to mitigate these factors. As at the point of authorising the accounts, and for the foreseeable future, the directors consider the going concern assumption to still be appropriate. The directors acknowledge that given the currently rapidly changing business and social environment, there are likely to be significant unknown factors which may present themselves. Such factors are considered by the directors to represent a general inherent level of risk in relation to the going concern assumption albeit not quantifiable at this time.

**2. DONATIONS AND LEGACIES**

	2020	2019
	£	£
Other income	<u>227</u>	<u>185</u>

**3. INVESTMENT INCOME**

	2020	2019
	£	£
Rents received	578,166	744,671
Interest receivable	<u>611</u>	<u>895</u>
	<u>578,777</u>	<u>745,566</u>

Income from investments comprises the rental income receivable for the period from the Trust's properties located in the UK and in Europe.

EUROPE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 December 2020

4. RAISING DONATIONS AND LEGACIES

	2020	2019
	£	£
Other operating leases	-	5,460
Insurance	1,236	1,377
Telephone	1,758	1,730
Postage and stationery	675	606
Marketing and publicity	-	30,771
Bank charges	131	170
Depreciation	451	531
Interest payable and similar charges	10,228	10,228
	<u>14,479</u>	<u>50,873</u>

5. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Support costs	<u>6,837</u>	<u>4,618</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Grant funding of activities (see note 7)	Support costs (see note 8)	Totals
	£	£	£	£
Charitable activities	<u>612,638</u>	<u>49,740</u>	<u>4,644</u>	<u>667,022</u>

7. GRANTS PAYABLE

	2020	2019
	£	£
Charitable activities	<u>49,740</u>	<u>22,664</u>

8. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Other trading activities	6,837	-	6,837
Other resources expended	-	7,756	7,756
Charitable activities	-	4,644	4,644
	<u>6,837</u>	<u>12,400</u>	<u>19,237</u>

9. NET INCOME/(EXPENDITURE)

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

	2020	2019
	£	£
Auditors' remuneration	6,666	6,476
Depreciation - owned assets	479	564
Other operating leases	<u>1,950</u>	<u>7,800</u>

EUROPE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 December 2020

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses	2020 £	2019 £
Trustees' expenses	<u>3,458</u>	<u>4,996</u>

11. STAFF COSTS

	2020 £	2019 £
Wages and salaries	50,941	46,799
Social security costs	1,162	474
Other pension costs	1,120	-
	<u>53,223</u>	<u>47,273</u>

The average monthly number of employees during the year was as follows:

	2020	2019
Fundraising, marketing, administration	<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
<b>INCOME AND ENDOWMENTS FROM</b>	
Donations and legacies	185
Investment income	<u>745,566</u>
<b>Total</b>	<u>745,751</u>
<b>EXPENDITURE ON</b>	
<b>Raising funds</b>	
Raising donations and legacies	50,873
Other trading activities	<u>4,618</u>
	<u>55,491</u>
<b>Charitable activities</b>	
Charitable activities	667,436
Other	<u>14,169</u>
<b>Total</b>	<u>737,096</u>
<b>NET INCOME</b>	<u>8,655</u>
<b>RECONCILIATION OF FUNDS</b>	
Total funds brought forward	8,321,053
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>8,329,708</u></u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 December 2020**

**13. PRIOR YEAR ADJUSTMENT**

The 2019 income and expenditure has been reclassified due to income from the charity's German properties previously being shown net of property management and associated property running costs. Income and expenditure is now shown gross.

**14. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2020 and 31 December 2020	21,387	2,584	23,971
<b>DEPRECIATION</b>			
At 1 January 2020	18,380	2,396	20,776
Charge for year	451	28	479
At 31 December 2020	18,831	2,424	21,255
<b>NET BOOK VALUE</b>			
At 31 December 2020	2,556	160	2,716
At 31 December 2019	3,007	188	3,195

**15. INVESTMENT PROPERTY**

	£
<b>FAIR VALUE</b>	
At 1 January 2020 and 31 December 2020	2,765,712
<b>NET BOOK VALUE</b>	
At 31 December 2020	2,765,712
At 31 December 2019	2,765,712

The trustees are of the opinion that a number of the properties should be classed as mixed motive properties; these are disclosed in note 15.

Investment properties and mixed motive investment properties are included at a combination of historic cost and revaluation on a property by property basis.

The properties have been valued by the trustees based on their research of similar properties. Following their assessment the trustees are of the opinion that the value shown in the accounts is materially fair.

**16. SOCIAL INVESTMENTS**

	Mixed motive properties £
<b>MARKET VALUE</b>	
At 1 January 2020	5,085,630
Disposals	(481,192)
At 31 December 2020	4,604,438
<b>NET BOOK VALUE</b>	
At 31 December 2020	4,604,438
At 31 December 2019	5,085,630

The charity holds a number of properties in the UK and overseas. The trustees are of the opinion that a number of the properties should be classed as mixed motive properties and therefore £4,604,438 (2019: £5,085,630) of the overall investments has been classified as such.

**EUROPE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
For The Year Ended 31 December 2020

**16. SOCIAL INVESTMENTS - continued**

The charity furthers its objects via mixed motive investments as these are variously rented out at nil or below market rates to Mosques, Islamic Community Centres and Educational Institutions. Mixed motive investments include properties held by the charity with a value of £2,386,408 (2019: £1,355,824) where no investment income is received. The remaining £4,983,742 (2019: £3,649,806) mixed motive investments includes properties where some investment income is received. The trustees have assessed that the proportion of these properties yielding a rental income is approximately 68%.

The trustees have reviewed the value of the remaining properties included as social investments. Taking account of their usage, condition and local market for such properties they consider that the value included within the financial statements is materially fair.

**17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Prepayments and accrued income	105,865	199,190
Prepayments	810	148
	<u>106,675</u>	<u>199,338</u>

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Bank loans and overdrafts (see note 20)	13,892	13,892
Accrued expenses	68,027	88,097
	<u>81,919</u>	<u>101,989</u>

**19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
	£	£
Bank loans (see note 20)	<u>56,609</u>	<u>70,502</u>

**20. LOANS**

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year on demand:		
Bank loan 2	<u>13,892</u>	<u>13,892</u>
Amounts falling between one and two years:		
Bank loan 2 1-2	<u>13,892</u>	<u>13,892</u>
Amounts falling due between two and five years:		
Bank loan 2 2-5 yrs	<u>42,717</u>	<u>41,677</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loan 2 > 5yrs by inst	-	14,933

**EUROPE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 December 2020**

**21. SECURED DEBTS**

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	<u>70,501</u>	<u>84,394</u>

Bank loans are secured by way of charges against the assets to which they relate.

**22. MOVEMENT IN FUNDS**

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
<b>Unrestricted funds</b>			
General fund	8,329,708	(123,617)	8,206,091
<b>TOTAL FUNDS</b>	<u>8,329,708</u>	<u>(123,617)</u>	<u>8,206,091</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	591,492	(696,094)	(19,015)	(123,617)
<b>TOTAL FUNDS</b>	<u>591,492</u>	<u>(696,094)</u>	<u>(19,015)</u>	<u>(123,617)</u>

**Comparatives for movement in funds**

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
<b>Unrestricted funds</b>			
General fund	8,321,053	8,655	8,329,708
<b>TOTAL FUNDS</b>	<u>8,321,053</u>	<u>8,655</u>	<u>8,329,708</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	745,751	(737,096)	8,655
<b>TOTAL FUNDS</b>	<u>745,751</u>	<u>(737,096)</u>	<u>8,655</u>

**23. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 December 2020.

**EUROPE TRUST**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
For The Year Ended 31 December 2020

	2020 £	2019 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Other income	227	185
<b>Investment income</b>		
Rents received	578,166	744,671
Interest receivable	611	895
	<u>578,777</u>	<u>745,566</u>
<b>Other income</b>		
Job retention scheme	12,488	-
<b>Total incoming resources</b>	<u>591,492</u>	<u>745,751</u>
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Other operating leases	-	5,460
Insurance	1,236	1,377
Telephone	1,758	1,730
Postage and stationery	675	606
Marketing and publicity	-	30,771
Bank charges	131	170
Fixtures & fittings dep'n	451	531
Bank interest	10,228	10,228
	<u>14,479</u>	<u>50,873</u>
<b>Charitable activities</b>		
Wages	44,299	42,164
Social security	117	(433)
Pensions	784	-
Other operating leases	1,950	1,950
Rates and water	9,015	13,335
Insurance	443	491
Telephone	628	618
Postage and stationery	-	217
Legal and professional fees	11,114	57,590
Bank charges	258	437
Property expenses	489,315	407,640
Foreign exchange losses	(7,950)	8,097
Office services	1,369	2,403
Travel expenses	388	-
Other property expenses	60,908	110,263
Grants to institutions	49,740	22,664
	<u>662,378</u>	<u>667,436</u>
<b>Support costs</b>		
<b>Management</b>		
Wages	5,535	3,863
Social security	1,022	755
Pensions	280	-
	<u>6,837</u>	<u>4,618</u>

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EUROPE TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
For The Year Ended 31 December 2020

	2020 £	2019 £
<b>Management</b>		
<b>Governance costs</b>		
Trustees' expenses	3,458	4,996
Wages	1,107	772
Social security	23	152
Pensions	56	-
Auditors' remuneration	6,666	6,476
Other operating leases	-	390
Insurance	89	98
Legal fees	-	323
Telephone	126	124
Printing, postage and stationery	48	43
Membership fees	790	750
Bank charges	9	12
Fixtures & fittings dep'n	28	33
	<u>12,400</u>	<u>14,169</u>
Total resources expended	<u>696,094</u>	<u>737,096</u>
<b>Net (expenditure)/income before gains and losses</b>	<u>(104,602)</u>	<u>8,655</u>
<b>Realised recognised gains and losses</b>		
Realised gains/(losses) on fixed asset investments	<u>(19,015)</u>	<u>-</u>
<b>Net (expenditure)/income</b>	<u><u>(123,617)</u></u>	<u><u>8,655</u></u>

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