

Registered Chanty Number
1103290

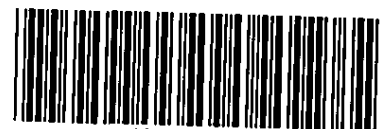
Registered Company Number
4927787

Europe Trust

Abbreviated Accounts

For The Year Ended 31 December 2006

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Europe Trust
Report and accounts
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Europe Trust

The report of the trustees for the year ended 31 December 2006

Company Information

Registered number

4927787

Charity Number

1103290

Chief Executive

Mr A Al-Rawi (Resigned as Chairman June 2006)

Directors

Mr A Al-Hajeri

Dr N Al-Kaddo

Mr A S El-Ashaal

Mr I El-Zayat

Dr A Jaballah

Mr A S Mohamed (Appointed Acting Chairman June 2006)

Trustees

Dr A Abu Shwaima

Mr N G Misiri

Mr I Al-Naddaf Yalouk

Secretary

Dr A K Bensiali

Auditors

Farooqui & Co Ltd

9 Norville Terrace

Headingley Lane

Leeds

West Yorkshire LS6 1BS

Bankers

Lloyds TSB

Business Banking Service Centre

3rd Floor, Booth Street

Manchester M2 4AW

Solicitors

Woolley, Beardsleys & Bosworth

PO Box 22

Rectory Place

Loughborough LE11 1UP

Registered office

MCC

Ratby Lane

Markfield

Leicestershire LE67 9SY

**Europe Trust
Independent Auditors' Report**

**Independent auditors' report
to the shareholders of Europe Trust**

We have examined the abbreviated accounts set out on pages 4 to 8, together with the financial statements of Europe Trust for the period ended 31 December 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 246 of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to in a special auditors report and for no other purpose

Respective responsibilities of trustees as directors and of the auditors

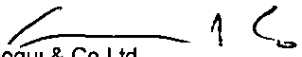
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you

Basis of Audit Opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditors Report on abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and abbreviated accounts have been properly prepared in accordance with those provisions



Farooqui & Co Ltd
Registered auditors
Chartered Certified Accountants
9 Norville Terrace
Headingley Lane
Leeds
West Yorkshire
LS6 1BS

The date upon which our opinion is expressed is -
25 October 2007

**Europe Trust
Balance Sheet
as at 31 December 2006**

	Notes	2006 £	2005 £
<i>The assets and liabilities of the charity</i>			
Fixed assets			
Tangible assets	3	2,122	2,496
Investments	14	100	100
Investment Property	4	5,672,038	3,630,415
Total fixed assets		<u>5,674,260</u>	<u>3,633,011</u>
Current assets			
Debtors	5	1,850	2,213
Cash at bank and in hand		<u>5,125</u>	<u>16,568</u>
Total current assets		<u>6,975</u>	<u>18,781</u>
Creditors - amounts due within one year	6	(302,510)	(838,504)
Net current liabilities		<u>(295,535)</u>	<u>(819,723)</u>
Total assets less current liabilities		<u>5,378,725</u>	<u>2,813,288</u>
Creditors - amounts due after more than one year	7	(2,762,485)	(2,450,153)
Provisions for liabilities and charges	8	206,318	-
Net assets		<u>2,822,558</u>	<u>363,135</u>
<i>The funds of the charity</i>			
Unrestricted Income funds			
Unrestricted revenue accumulated funds		2,822,558	363,135
Total unrestricted funds		<u>2,822,558</u>	<u>363,135</u>
Total charity funds	20	<u>2,822,558</u>	<u>363,135</u>

The accounts have been prepared in accordance with the special provisions relating to small companies in Part VII of the Companies Act 1985 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)



**Mr A S Mohamed
Acting Chairman**

Approved by the trustees on 18 October 2007

The notes on pages 5 to 12 form an integral part of these accounts

Europe Trust
Notes to the Accounts
for the year ended 31 December 2006

1 Accounting policies

Basis of preparation of the accounts

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE), effective January 2007, and all other applicable accounting standards, as modified by the 2005 Revision of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005. The accounts have been drawn up in accordance with the provisions of the Charities Act and the Companies Act.

In so far as the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005 requires compliance with specific Financial Reporting Standards other than the FRSSE then the specific Financial Reporting Standards have been followed where their requirements differ from those of the FRSSE.

Advantage has been taken of paragraph 3(3) of Schedule 4 of the Companies Act 1985 to allow the format of the financial statements to be adapted to reflect the special nature of the company's operation.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement.

The particular accounting policies adopted are set out below.

Accounting convention

The financial statements are prepared, on a going concern basis, under the historical cost convention as modified by the revaluation of freehold land and buildings and fixed asset investments.

Incoming Resources

Incoming resources are accounted for on a receivable basis deferred as described below where appropriate. Rental income is recognised when due.

Investment Income

Ownership of Properties

Where the charity is not the sole owner of a property, only the percentage of the charity's ownership is included in the assets of the charity.

Donations of Property

The Charity has been the beneficiary of significant values of land and buildings. These donations have been included in the Balance Sheet of the charity at the most recent valuation.

Compliance with Statement of Standard Accounting Practice 19

Charities are exempt from the full provisions of SSAP19. However, the trustees have adopted a policy that investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Europe Trust
Notes to the Accounts
for the year ended 31 December 2006

Deferred income

In accordance with the Statement of Recommended Practice for Accounting and Reporting (effective April 2005) issued by the Charity Commissioners for England & Wales grants received in advance and specified by the donor as relating to specific accounting periods or alternatively which are subject to conditions which are still to be met, and which are outside the control of the charity or where it is uncertain whether the conditions can or will be met, are deferred on an accruals basis to the period to which they relate. Such deferrals are shown in the notes to the accounts and the sums involved are shown as creditors in the accounts.

Recognition of liabilities

Liabilities are recognised on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the Statement of Recommended Practice for Accounting and Reporting (effective April 2005) issued by the Charity Commissioners for England & Wales.

Resources Expended

The policy for including items within costs of generating funds, charitable activities and governance costs is -

Costs of generating funds

The direct costs attributable to fundraising

Charitable activities

The costs associated with the letting of investment owned by the charity properties

Governance costs

Governance costs shall include all expenditure directly related to the administration of the charity including expenditure incurred in the management of the charity's assets, organisational administration and compliance with charitable and statutory requirements.

Allocation of costs within types of resources expended

Administration expenditure includes all expenditure not directly related to charitable activity. In respect of certain items of expenditure it is a matter of judgement as to whether such items are direct charitable expenditure or are administrative, and the trustees have applied what they consider to be reasonable judgements in apportioning such costs.

The bases of the judgements used were

Wages and salaries are apportioned equally between Charitable Activities and Governance costs together with any associated social security costs.

Unrealised and realised gains

Realised gains and losses are included in the accounts on the date at which a contractual obligation is entered into.

Unrealised gains and losses are computed by reference to the market value of the investments at the balance sheet date, compared to the brought forward cost or valuation, and gains and losses arising on similar categories of investments are netted off.

Investments held by the charity

The company's investments at the balance sheet date in the share capital of companies include the following -

Europe Trust Property Enterprises Limited

Class of shares ordinary

% holding 100.00

	2006	2005
	£	£
Aggregate capital and reserves	100	100

Europe Trust
Notes to the Accounts
for the year ended 31 December 2006

Fixed assets and depreciation

All tangible fixed assets, except freehold land and buildings, are stated at cost less depreciation. Freehold land and buildings are stated at a valuation arrived at by a professionally qualified firm of valuers, who valued the assets on the basis of open market value in current use.

Items of less than £100 are not capitalised.

Depreciation has been provided at the following rates in order to write off the assets (less their estimated residual value) over their estimated useful economic life:

Equipment 25% on cost

Capital grants

The board of trustees consider that, in order to comply with the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales (effective October 2005), gifts of tangible fixed assets or grants of a capital nature given for specific purposes and fully utilised in the furtherance of the objects of the charity should be credited to the relevant fixed asset fund after the sums have been properly expended on the restricted purpose. The related asset is shown in the balance sheet at the full cost of acquisition or subsequent revaluation.

If the related assets are subject to restrictions by the grant making organisation on their use and disposal, then these restrictions are noted in the fixed asset section of these accounts. In such circumstances, the fixed asset fund created is treated as a restricted fixed asset fund. As the related assets are depreciated, then a transfer is made from restricted fixed asset funds to unrestricted revenue reserves to reflect the diminution in the asset subject to the restriction.

If the related assets are not subject to restrictions by the grant making organisation on their use and disposal, then the fixed asset fund created is treated as a designated fixed asset fund. As the related assets are depreciated, then a transfer is made from designated fixed asset funds to unrestricted revenue reserves to reflect the diminution in the asset.

Any residual liability to the donor arising from, for example, the asset's future sale, is disclosed as a contingent liability unless the event that would trigger repayment of the grant becomes probable in which case a liability for repayment is recognised.

In so far as this policy relates to Government grants and to the extent that it may be a departure from the Statement of Standard Accounting Practice Number 4, such departure is justified on the basis that it is in order to comply with the Statement of Recommended Practice for Accounting and Reporting (effective April 2005) issued by the Charity Commissioners for England & Wales.

Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is not recoverable by the company, and is therefore included in the relevant costs in the Statement of Financial Activities.

Europe Trust
Notes to the Accounts
for the year ended 31 December 2006

Finance and operating leases

Rentals payable in respect of operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred

Finance leases are accounted for in accordance with the requirements of the Financial Reporting Standard for Smaller Entities (FRSSE), effective January 2005

Funds structure policy

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment

Restricted funds have been provided to the charity for particular purposes, and it is the policy of the board of trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them

A fixed asset fund is maintained which represents the written down value of tangible fixed assets, and is divided into a restricted fixed asset fund representing the written down value of those assets subject to restrictions, with the balance being in a designated fund representing the written down value of those assets free of restrictions. The detailed operation of these funds is described under the accounting policy 'Capital grants'

There is no formal policy of transfer between funds or on the allocation of funds to designated funds, other than that described above

Any other proposed transfer between funds would be considered on the particular circumstances

Accounting for Legacies

No legacies have been left to the charity and until such time as a legacy is made the trustee reserve the right to formulate a reserve policy

Recognition of foreign exchange gains and losses

This has arisen due to the translation of euro transactions into sterling at an average rate of \$1 to the £0.67330

2 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity

Europe Trust
Notes to the Accounts
for the year ended 31 December 2006

3 Tangible functional fixed assets

	Fixtures & Fittings £	Computer Equipment £	Total £
Asset cost, valuation or revalued amount			
At 1 January 2006	852	2,584	3,436
At 31 December 2006	852	2,584	3,436
Accumulated depreciation and impairment provisions			
At 1 January 2006	186	754	940
Depreciation on revaluation	-	-	-
Charge for the year	99	275	374
At 31 December 2006	285	1,029	1,314
Net book value			
At 31 December 2006	567	1,555	2,122
At 31 December 2005	666	1,830	2,496

4 Fixed Asset Investments

	Property Investments £	Listed Investments £	Unlisted Investments £	2006 Total £
Valuation				
Market value at 1 January 2006	3,630,415	-	100	3,630,515
Additions at cost	2,041,623	-	-	2,041,623
Net unrealised gain/(loss)				
Market value at 31 December 2006	5,672,038	-	100	5,672,138
Total Investments including cash	At 31 December 2006			5,672,138
Total Investments including cash	At 1 January 2006			3,630,515

Europe Trust
Notes to the Accounts
for the year ended 31 December 2006

4 Fixed Asset Investments continued

Analysis of investments between UK investments and investments outside the UK

	Property Investments	Listed Investments	Unlisted Investments	2006 Total
Investment assets in the UK	5,043,607	-	100	5,043,707
Investment assets outside the UK	628,431	-	-	628,431
Total market value	5,672,038	-	100	5,672,138

	Property Investments	Listed Investments	Unlisted Investments	2005 Total
Investment assets in the UK	3,386,748	-	100	3,386,848
Investment assets outside the UK	243,667	-	-	243,667
Total market value	3,630,415	-	100	3,630,515

Unlisted Investments comprise -

	Cost 2006	Market Value 2006	Cost 2005	Market Value 2005
Sundry unlisted investments	-	100	-	100
Total	-	100	-	100

5 Debtors

**2006
£** **2005
£**

Prepaid expenses 1,850 2,213

Amounts due after more than one year included in the total above are analysed as -

6 Creditors amounts falling due within one year

**2006
£** **2005
£**

Bank loans and overdrafts	157,200	133,040
Trade creditors	3,785	2,071
Amounts due to associated or subsidiary undertakings	-	692,991
Accrued expenses	8,036	7,472
PAYE and NI	4,797	2,930
Unpaid Pension Contributions	3,608	-
Funds held for third parties	113,662	-
Deferred income and grants in advance	11,422	-
	302,510	838,504

Europe Trust
Notes to the Accounts
for the year ended 31 December 2006

7 Creditors - Amounts Falling due after one year	2006	2005
	£	£
Bank loans and overdrafts	2,762,485	2,450,153

Secured Loans and creditors due after more than five years

	2006	2005
	£	£

Creditors include

Amounts falling due for payment after more than five years	<u>2,133,685</u>	<u>2,583,194</u>
Secured bank loans	<u>2,133,685</u>	<u>2,583,194</u>

The Bank of Ireland has first legal charge over 15 flats and Post Office at 221 Woodhouse Street, Leeds and first legal charge over 12 flats at 158a Woodsley Road, Leeds

8 Provisions for liabilities and charges	2006	2005
	£	£
Mortgage interest	<u>(206,318)</u>	<u>-</u>
Carried forward	<u>(206,318)</u>	<u>-</u>

The provision relates to mortgage interest due to the Bank of Ireland and included in creditors that is to be charged to the Statement of Financial Affairs over the life of the mortgage

9 Particulars of Individual Funds and analysis of assets and liabilities representing funds
At 31 December 2006

	Unrestricted funds	Designated funds	Restricted funds	Total Funds
	£	£	£	£
Tangible Fixed Assets	2,122	-	-	2,122
Investments at valuation				
<i>Property</i>	5,672,038	-	-	5,672,038
<i>Shares</i>	100	-	-	100
Current Assets	6,975	-	-	6,975
Current Liabilities	(302,510)	-	-	(302,510)
Long Term Liabilities	(2,762,485)	-	-	(2,762,485)
Provisions for charges	206,318	-	-	206,318
	<u>2,822,558</u>	<u>-</u>	<u>-</u>	<u>2,822,558</u>

	£	£	£	£
At 1 January 2006	Unrestricted funds	Designated funds	Restricted funds	Total Funds
Tangible Fixed Assets	2,496	-	-	2,496
Investments at valuation				
<i>Property</i>	3,630,415	-	-	3,630,415
<i>Shares</i>	100	-	-	100
Current Assets	18,781	-	-	18,781
Current Liabilities	(838,504)	-	-	(838,504)
Long Term Liabilities	<u>(2,450,153)</u>	<u>-</u>	<u>-</u>	<u>(2,450,153)</u>
	<u>363,135</u>	<u>-</u>	<u>-</u>	<u>363,135</u>

Europe Trust
Notes to the Accounts
for the year ended 31 December 2006

9 Particulars of Individual Funds and analysis of assets and liabilities representing funds continued

The individual funds included above are -

	Funds at 2005	Movements in Funds as below	Transfers Between funds	Funds at 2006
	£	£	£	£
General fund - unrestricted	363,135	2,459,423	-	2,822,558
	<u>363,135</u>	<u>2,459,423</u>	<u>-</u>	<u>2,822,558</u>

Analysis of movements in funds as shown in the table above

	Incoming Resources £	Outgoing Resources £	Gains & Losses £	Movement in funds £
General fund - unrestricted	2,602,982	143,559	-	2,459,423
Seminar fund - restricted	38,372	38,372	-	-
	<u>2,641,354</u>	<u>181,931</u>	<u>-</u>	<u>2,459,423</u>

The restricted fund was set up for the provision of a 3 day seminar "Awqaf in Europe" and was funded by a single donation of £33,872 from the bank of Ireland and sponsorship income of £4,500. Remaining costs of the seminar above the amount of donations was met from the unrestricted fund.

10 Endowment Funds

The charity had no endowment funds in the year ended 31 December 2005 or in the year ended 31 December 2006.

11 Share Capital

The charity is incorporated under the Companies Act 1985 and is limited by guarantee, each member having undertaken to contribute such amounts not exceeding one pound as may be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter.