

SGM MINUTES (29/11/2024)

Mr Chairman (00:33:30): Now that we have a, after adjournment, we've got a Quorum, as per constitution, we need, can we have some silence, please now? per constitution, we need 30 am I right? 30 members.

So we have now 30 registered members. So we now commence the meeting with a recitation of the Quran. Can I call upon Ilyas Bai to grace us.

Ilyas Govani: (00:34:26) In the name of Allah, the entire im merciful and especially merciful. All praise is to Allah, Lord of the worlds, the entirely merciful, especially merciful, Sovereign of the day of Recompense it is you we worship and you we ask for.

Guide us to straight path the path of those upon whom you have bestowed favour, not of those who have evoked your anger of those who are astray .

Mr Chairman (00:35:45): Pursuant to clause 9 of the KSIMC of London's Constitution.

They executive Committee gave a notice for today, Friday, sorry, they gave a notice on Friday 15th November for a special general meeting to be held. Today, 29th of November 2024, at 7.30 p.m. to discuss the following items. One recitation of the Holy Quran, Number two, the presentation of the accounts and the treasurer's report, followed by adoption of the audited accounts of the Jamat for the previous financial year, as per Clause 6.9.3.

I would like to first show my gratitude to your community members

For two things, number one that you have been patient respect to the audited accounts that have been brought to you. These accounts normally would be expected to be submitted. I'm not mistaken. 31st of October, am I right?

When we came in in June, on the 2nd of June, at the AGM that preceded us coming in, there was a discussion about the accounts. When we came in, we took that on board, but what we realised is that number one two, number one, that the audit had hardly been commenced.

There was a lot of audit work that had to be required to be done Number two, there was a change in the auditors in the sense that there was, I think there was a buyout or something within the audit firm.

Yes, the responsibility, sorry, beg your pardon. The responsible individuals who are looking after the audit of KSIMC of London changed, and therefore, as those were auditors may realise, is that when there is a change, again, the whole process sort of starts all over again as well. And that was the delay.

And what I'm trying to say is that that we tried our best to get these accounts out by the 31st. But it was what it was. It was beyond our control.

We tried to push as hard as possible. 31st of October being the deadline, we became when we became aware that we will not be able to submit these accounts. We informed the charities Commission. We also had acknowledgements on this am I, right?

Sadik, and yes, they are aware. We've also informed them that although we've had the accounts beginning of November, as per our internal regulation, we would like to call in meeting of the members and we meet these accounts adopted before we would submit them. And we say that we will Insha'Allah submit them by the end of this month, which is the end of November.

Number two, taking into consideration the timings generally will be expected to call an EGM with a 21-day notice. We realise that if we were to then call the day that we received the accounts, because we didn't want to call and EGM without having received the full set of accounts from the auditors, as soon as we received the accounts, we counted the number of days to make up the 21, and we realise that it would fall at the beginning of Ayyam-e-Fatemiya, correct? And there's Ayyam-e-Fatemiya...

Yes, go on.

SGM MINUTES (29/11/2024)

Mahmood Padhani (00:39:18): First I want to make a comment before I come to the point of order, to the President.

First like to thank him for taking away the screens that covered the ladies. It's a salutary lesson in kindness. I hope you have many of those as you go long, but the main crux of this matter of point of order is that these accounts and it's enshrined in the Constitution, 3315, the notice for this adoption should be 21 days.

Mr Chairman Responds: "Correct"

Mahmood Padhani Continues: yeah? You've only given us 15 days, so where does this meeting stand in terms of? Is it ultra virus?

Is it valid or how do you reconcile that? Before we go further ahead. Thank you

Mr Chairman (00:40:03): That is how I've tried to explain over here, as to the rationale behind why we've called an SGM over here, as opposed to an EGM. The site is that if I can just finish off what I was trying to say, is that the 21-day notice would take us to Ayyam-e-Fatemiya. After that, we've got a World Federation Conference where Office Bearers have to attend as well. And after that you're coming towards us more to the Christmas period as well, when people will be away. So we had to make that decision, and therefore, called an SGM in the SGM, we have to give a three-day notice, but we've extended that to the best we could, which was today's date, because after that their functions taking place as well. Now, if you feel it is the members feel that this is ultra virus, and then we should not continue, then fair enough, always, are you expecting us now to call in EGM for another 21-day notice?

Mr Chairman (00:41:20): There are many things in place over here. Number one, we've got a commitment here to submit the accounts to the Charities Commissions. Now, I made a commitment as well that we will not submit these accounts to your charities commission before we bring it to the general body.

Now, I would like guideline as to whether the Constitution requires us to bring these accounts before we submit it to the Charities Commission or not. Makbul bhai, does the Constitution require us to call a general body meeting before we as office bearers can approve and submit to the Charities Commission...

Audience (00:42:20): I don't think it's in a constitution, but there has been a precedent. Correct. Who has always had Absolutely counts.

Mr Chairman (00:42:07) Yeah. For what I'm saying is why the Constitution, if we will stick to the Constitution, we would not have to call this. We could go and submit these council a Charities Commission without having to be brought.

That's what the previously EC did. Absolutely. No, I'm just trying to say over here.

But as a commitment we say it, is that we all want to work together, as a community over here.

And we admit, I had said, I will not, even if that means that I would delayed, Should the commission call me up, I will explain to them as to why we have not submitted the accounts. In Yes, Sabira Bai?

Sabira Bai (00:42:56): I very much appreciate the position you're in. Can you please correct me? Is this the accounts that should have been passed at the last AGM?

Yes. Yes. And this is the attention I would like to draw to the brothers and sisters here. that these are not accounts that were the responsibility of the current EC.

These are accounts that were responsibility of the previous EC. And because the previous EC failed in the duty to submit accounts at the AGM. Murtaza Bhai now is burdened with the task of

SGM MINUTES (29/11/2024)

the previous EC, in which case we do need to give him allowance to at least speak to us about the accounts before they go to the charity commission. I would be worried about setting a precedent where members are not consulted on the accounts before they are submitted to the charity Commission. That would be erroneous and very bad practice. I would not want to put Murtaza Bhai in a position where he's up against a deadline of the charity Commission, and we then don't let him meet that deadline because we are sticking to the 21 days in the Constitution. However, Mahmood Bhai Padhani is correct in pointing out the Constitution requirement. We must adhere to the Constitution at all times, but we must not burden the current EC with the ills of the previous EC. Thank you..

Mr Chairman (00:44:17): "Yes Salim"

Salim Hameer (00:44:21) : I think I agree with the Sabira bai said that the last EC did not adopt the accounts for the AGM agenda. If you look at the clause which Mahmood Bai is highlighted, it's 8.3.15, right? Right. It literally talks about accounts at the AGM. This is not AGM. This is a general meeting, and on General meeting, once you pass the AGM, on adoption of accounts, is very silent. The constitution is very, very silent.

So, hence, you can either have 21 days or three days, whatever motion you put forward, that's how it works. That's my understanding, okay? And that's where I believe. I think that's what we should do.

Mr Chairman (00:45:15): Thank you. Anyone else? Yes Akil?

Akil Kanani (00:45:20): Last year, the previous EC sat on that table on 23rd of October 2023., after calling an SGM. We called an SGM, and we gave four days' notice.

We submitted audited accounts, and at that time, we had a deadline to file. So that's the rationale that we gave that we needed an SGM. because we were running towards the deadline of the 26th., if I'm not mistaken. We then add that SGM had a good half an hour debate at the beginning, where I can see three members who participated in that debate present here, who told us at that time that the 21 days' notice of the audited accounts hadn't been served. We then took two five-minute recesses. It's all on the SGM minutes. We took two five-minute recesses, and to satisfy the member's wishes of complying with the Constitution, Rules 3.3.1.5, we then said that we would give the 21 days' notice for the audited accounts to be reviewed by the members, because agreed that at that time, four days was not the right time.

Four days was too little. So, I think the statement that Mahmood bai has presented is that one year, you say, four days is not enough, because you must stick to the 21. The following year, and so the conclusion of that meeting was that the agenda item was removed.

And we went to the second agenda item, which was to do with flats. We didn't even have any discussion, so a precedent has already been set in a previous SGM that because the number of days' notice hadn't been given, as stipulated by the Constitution, the matter could not be discussed. So here, we are 14 days.

Now, I understand 14 is more than the four, but it's still less than the 21. So now, if the previous year, the general body gave guidance to the then trustees to pull that agenda item, are we saying now the same EC same general body is now giving the guidance to the current trustees to say it doesn't matter. 14 is more than the four, so they can continue. So, either we're consistent or we decide that we will interpret the Constitution how we feel.

And because, you know, we understand the reasons that have been presented, and I'm sure they're valid, that we cannot go with this. But what I don't want is one year, you know, you're saying we must safeguard the Constitution. We have to safeguard precedence.

But we can't be seen one day, one year we do one thing, and then the following year we do

SGM MINUTES (29/11/2024)

another, and then next year we'll say, okay, well, we gave 17 days. That was more than the 14 days, but, you know, it's fine. So, I don't know.

I seek guidance from members because clearly the members gave the guidance last year to the sitting trustees and the sitting trustees then discussed and deliberated and decided. So are we going to take the same guidance from the members this year or are we doing something different? That's I'm a little bit lost here.

Mr Chairman (00:49:35): Can we have one meeting please?

Audience deliberates between 00:49:38 - 00:51:07

Mr Chairman (00:51:12): Can you first make sure you address the chair and not the members yeah. That's the decorum of this meeting. Just Sabira Bai, Sadik Bai wants to say something.

Sadik Bhai (00:51:24): I think the circumstances are slightly different here, because we are the new EC committee that have come in, we have had to finalise the accounts that were left behind, we have done what it takes to take. We are all Trustees of this charity with the Charity Commission, we have done the best we can to inform the Charity Commission and given them that this is when you will get them by and I think it would be unfair on the EC as a body to have then face the Charity Commission and the consequences for something that we have tried our best to bring in. So I would urge the body, the general body to allow us to take this forward.

Sajjad Tejani (00:52:17): The deadline for submission by Charity commission which is the Charity law is 31st October, we have just passed that deadline ok, so now charity law supersedes the constitution in this matter yeah, so we, this what I am saying, so let us just have the accounts presented and then we go for adoption otherwise we are going against charity law here yeah. We had an expert, Murtaza Bhai Jessa was here last time, he said, when Charity law will always supersede the constitution. So we here are trying to abide by Charity Law in submitting the accounts, though late, but we have, we have informed the Charity Commission that we, there were reasons why we were so late so with this if you please allow the treasurer to present the report and we go for adoption thank you.

Mr. Chairman (00:53:18): We had a lot of deliberations over here. It's the members, you government, it's your decision. Would you like this meeting to go ahead?
Or would you like us to adjourn this meeting and give you another 21 days' notice As I said again, constitutionally, be very candid about this, we can submit these accounts tomorrow without having this general meeting. We just trying to create that precedent and continue with this precedent that we bring it to the general body before we as trustees submit these accounts. So we've gone out of our way to call this meeting.

We could have called this meeting after 21 days, submitted the accounts. And we would have complied with the law, we would have complied with the Constitution. But we want to do that. It's not just about the wordings of the Constitution. This is a community, we all work together, they substance to those Constitutions, we're all in it together, we work together, and we try and get the end together as well. So, putting it to you, do you want us to continue with this meeting? If not, I'm happy, we adjourn, we'll give you 21 days' notice, but we have a... an obligation with the Charities Commission to submit these accounts, and we will have to go and submit this accounts on the 30th. So, I put it to the general body, what would you like us to do?

Arif Punjani (00:54:49): You know, just one last comment on this side is the fact that what President has not mentioned, it was to certain extent, a strategic decision as well. So if we were

SGM MINUTES (29/11/2024)

to perhaps go ahead enough of the accounts as of today, we would still be able to file the accounts very much tomorrow. And if we were to file it tomorrow on the charity Commission, it puts a show as 30 days a month delay.

The more you go, once you pass 31st off, 30th of November, then it's more than a month delay. One month is always reasonable. Anything beyond one month, there would be suspicious to how good the charity is in essence, overall.

So that's the major strategic here as to why we had the only called the number of days. It could be on Saturday, on working day and so on. So, I think that has been missed out.

Number two, with due respect, you must put your hand on heart. compare four days, with 14 days. There is a significant time difference there. 10 more days. Now, I would know, of course, you all know, it's less than 21 days, but come on, four days to 14 days. you give me an answer for that. And yeah. the ball is in your court.

Mr Chairman (00:56:01): I think we've got to decide now. Do you want me to go ahead with this meeting?

or would you like me adjourn this meeting?

Yes Salim?

Salim Hameer (00:56:14): When it comes to making a decisional rules, it needs to be made by the chairperson.

Mr Chairman (00:56:19): ok Fair enough.

I'm giving that. Look, I understand what you're saying. I'm just trying to be as democratic as possible over here, and that's why I'm consulting, So I'm making a stance that we go ahead.

Faiyaz Nurmohamed (00:56:48):

Yes, I'm gonna be a little complimentary to the current EC for a change. Thank you. I wanted to say is Thank you.

I've been sending several emails regarding a request to extend the meeting to not present the accounts on the new date and to extend that because it was necessary for the general body to participate in this discussion. Whilst I didn't get any reply, when I saw the announcement that you did not submit the accounts by the original filing date, I was pleasantly surprised. So I think the course we should take because we should abide by the charity law, and that is a greater law than the Constitution.

I think we should proceed with this meeting.

Mr Chairman (00:57:42) Ahsant, So I will hand over to the Treasury to start the presentation.

Ali Ali (00:57:49) Because this meeting is recorded and minuted, the statement you said that when you came to the office you found out, that the audit was not done and completely done.

Mr. Chairman (00:57:55): No, not completed.

Ali Ali (00:58:04): Not completed is a different word than your sentence which you implied that we as the previous committee did not attend to the audit completely

Mr Chairman (00:58:17): My apology if it has to be corrected I'll come back again and say that the audit had not been completed thank you.

SGM MINUTES (29/11/2024)

Arif Punjani (00:58:34): *Hujjat Accounts*

So I believe you must have gone through with the full set of accounts and you have the copy of it. The most important page, which is page number 13, we just elaborate onto the unrestricted income and expenditure breakup and go through with the activities. So, these are the comparisons in terms of what we have done this year, as in 2023 compared to the law year before in 2022. The Hujjat Main, as is in everything that comprises of the Hujjat about 4.8 million compared to what we have done last year, 1.3m.

These are the income, which is unrestricted, and I'll give you the breakup of how the 4.8 and 1.3 came separately on a spreadsheet as well. So, as I believe, obviously we all know, these are huge and big figures. So, I'll give you the breakup of them.

But other than them, you have the overall other bodies and the Jamat, which has been broken down, and overall, we have done good. even including the Ali Haadi youth is stagnant, but otherwise, we have done pretty good.

So as promised, I'll give you the breakup of the bigger figures, comprising of the Hujjat Main. and going through the most highlighted the ones which I've got more variances compared to the last year. You look at the general fund.

We've almost accumulated and we have almost collected £200K compared to last year 70. 14 Masoomeen, again, we have done more than last year.

Of course, we have the insurance claim of a million pound, which wasn't the last year, so that's to be considered to.

And there were separate donations for the repair that were not there in the year 2022 More during the parking shuttle compared to last year, but overall, yeah, more. as opposed to last year, from the activities of generated funds as well. Investment income, the obvious one, the Harefield rental income that was not there last year. and we have about 1.8 from there. The activities that have been going on, which we have formed at the separate limited company called Zero and Future, and that has contributed 175. circa in the year 2023.

Subscription would remain more or less the same, and the income from the burial, which I would have a separate slide for which would give you the burial activity in more detail to comprise of how the 504k comes up from.

I'll try and go slowly and if you have any questions, you could ask me. Looking at the expenditure, which, again, on the page number 13, of 25, if you look at the 5117 breakups, this is where we are looking at Hujjat Main is 4.5 compared to 1.9 and again, I'll give you a detail breakdown of that later. And other than that, as far as the expenditures are concerned, they are more or less in line with the income that has been generated by each and every body under Jamaat and I'll go through with the accounts of, as in the head short accounts of majority of the bodies under Jamaat separately.

But the cost wise, yeah, they have gone up, but overall, they're all making surplus rather than the deficit. In including seniors and Al Haadi Youth. So, if you look at the page number 13, they have the five million, 5117, and the other figures would match up to your accounts.

Giving you the breakup of the bigger cost. Now, these are just the hujjat are part of it. I'll come to the careful part separately.

So these are the major expenditure headline. compared to last year and the variances. The head highlight one and the highlighted one is the light and heat. Of course, we had higher course, compared to last year, and that's quite significant, as in £250k, as opposed to £50k.

The burial has slightly gone down in terms of the expenditures, as in the death must have been lower, which is £299k. food, has gone up about 25% to 30% up. Repairs the maintenance, the very obvious one, which we have spent on so far, £1.1 million, and of course, they didn't have any such projects in the year 2022 Otherwise, the IT wise, we have spent lesser, I would say

SGM MINUTES (29/11/2024)

almost half of it.

And the car parking and so on, the legal in professional charges had gone slightly £60k as opposed to £40k last year, with the introduction of the other half in the, and slightly reduce accounting fee compared to last year.

So that covers the headline, Unrestricted income and expenditure.

Sorry. And we have the Harefield part which I missed out.

present Harefield accounts

the bank interest being the biggest one, as in the expenditure wise 1.1 million, as opposed to 2230.

Utilities, surprisingly, have gone down, because of the share of the building that we have rented out. got professional fees there, which has been reduced because initially to a higher rent the property was purchased compared to what it was now. And the rest of the other expenditure are unsurprisingly there, which is not there in the last year because the asset itself was not materialised

The bank balance of almost £2 million circa comprises of the main Hujjat account and the various Bodies under Jamat, the closing balance as of 31st of December.

Clearly sufficient funds under Burial and Madrassah and the others are also to increase reasonably well. And dust the summary, and this is just for the hujjat.

This is not including the bodies and the Jamaat, so to not compare directly this with the profit and loss account. But in terms of the total Hujjat which can further be broken down into a stand more and Harefield, you could see the surplus of deficit side, which is surplus on the almost surplus on both the side. Arguably, you would say. and Hujjat and Harefield compared to not so in the last year So that finishes the majority, as in the bulk of the main Hujjat.

I'll go through now Bodies under Jamaat. and prior to that. Perhaps one of the most significant bodies would be the burial. These are the burial fund, and not the burial services.

So in terms of donations and subscription received in line with the last year £226k compared to £211k and then the burial payment, the expenditures. followed with that, I mean, do let me know if I'm going up it fast, but they seem to be straightforward. So, if you have any question, you can interrupt me, I can go back to the slide. That is the reconciliation of the Burial. Yes go on, mic please.

Faiyaz Nurmohammed (01:07:27): I just require some clarification. You've done the burial fund. They used to be there, I believe it still exists a separate, so-called account, not a bank account, but an account within the main account for which carries large bank balances. This is for the private burials that be prepare and service. Can you kind of highlight where that is and what were the balances that December 23?

Arif Punjani (01:07:59) : So I've gone through with the bank balances, as of 31st of December 23.

Faiyaz Nurmohammed (01:08:04) : Yeah, just if you can just point me in the right direction, then I can hopefully try and understand what's happening there.

Arif Punjani (01:08:16) : I just showed you, as the what the bank balances are, So do to the bank balances that compromise of the total bank balance in the accounts. And you can see, Burial is there, £133 K circa...

Faiyaz Nurmohammed (01:08:31): Okay, uh, so that was the amount in er of the burial account,

SGM MINUTES (29/11/2024)

if you like. Yeah, yeah. Correct me if I'm wrong, so I'm not assuming anything. I'm just asking the question. I thought the balances were in excess of £300K. Can you please elaborate or refute what I'm saying? Because that was advertised, and it's of public knowledge, as far as I'm aware.

Arif Punjani (01:09:21): I'll come to the, which I think once I go through with the consolidation account of the burial, you go to the burial fund, and then you go the burial services. These are the balances as of 31st of December, of a specific account, which was held for Burial services and not the Burial Fund.

Salim Hameer (01:09:49): Arif Bhai, why don't you look at the balance sheet of burial fund and give it from there? Yeah, it's £132k is incorrect, because some of the burial fund has been put in treasury.

Arif Punjani (01:10:01): Yeah, yeah, I'm not saying this is all that is worth in there.

Salim Hameer (01:10:10) : The question he is asking is how much is burial fund and the burial fund should be £600k...£532k.

Arif Punjani (01:10:17) : I was just about to come to the presentation slide, if you just wait. Yeah, I think you. I think it's.

Mr. Chairman (01:10:19): I think it's.

If just a request, if he can finish off his presentation, because it might be within that presentation, all the answers, and then we can list down. You can keep a note of all the questions and then after that, it will be, I think, make a lot more sense, yeah? sure.

Faiyaz Nurmohammed (01:10:37): just one comment, So it was the treasurer in his treasure in the treasurer's presentation, he opened it up to to ask the question.

Arif Punjani(01:10:47): I accept wholeheartedly.

Mr Chairman(01:10:49): no blame here, no blame game here.

Arif Punjani (1:10:52) : No, no, I accept it all heartedly. I was just about to go for the next slide... Which is this one? And I think this should be self-explanatory, but I could go through with this. I mean, this was just immediately next time. So you have the burial fund, which is a subscription based, and that's separate to the burial services. So burial services are the income generated for the non-member burial, as in the non-subscribed.

Sadik Premji (01:11:34) : Sorry, the burial.

So the burial services is what the Hujjat carries out, and that is for the non-members, plus the services to bury our own members, but then the recharges are made to the burial fund. Yeah? And that's why there's a consolidation adjustment because we consolidate burial fund with hujjat as well. And that's why you will see that where £215,000, that has been paid is burial fund expenses by BF have then been taken away on both sides, on income and on costs.

Faiyaz Nurmohammed (01:12:16): I'm not an auditor top accountant, but I'm trying to understand and I'm sure the late members here would want to understand too. So I think need

SGM MINUTES (29/11/2024)

to get to the bottom of it.

So are you saying that some of the money in the burial fund in terms subscription and non-subscription has been transferred to say, general fund? I don't just explain that that to me so I can understand better. Where are the balances that the burial fund carries, because it's the most profitable subcommittee of this charity.

Thank you.

Ali Ali (01:13:05): Ok, so understand this, that burial fund where we pay membership has got a separate bank account. It deals with its own things separately. We (past tense) at Hujjat EC, we don't interfere with them. Okay?

We pay subscription every year. And what you see, £226,906 is what we have paid as membership subscription to them. Okay?

When somebody passes away, they don't go out to the council or the cemetery to arrange things. It is the Hujjat office, the main body which does that work. When that work is carried out, the question is asked.

The person who is passed away is he or she a member of burial or not. If they are a member of the burial, then the burial committee, the burial team, is notified that one of a member who is paid is claiming to be under your scheme has passed away. Can you please verify and confirm that he/she is paid member or not.

once they confirm that yes, they are, he or she a paid up to date member, the admin office will not charge the party, the family of the person who has passed away, but right an invoice to the burial team to payback.

So in 2023 the cost incurred for people who have passed away under burial team membership was £250,000. The income, the £226,906, the cost to them, the people who were passed away, and they were paid members was £215k. However, the £215k, the burial team did not pay to the council directly of the people directly. This cost was paid by the Hujjat main account. Hujjat main account admin office invoice them for them to pay us back. And that is why you see here, it has been identified by consolidation adjustment.

Am I making myself clear?

Arif Punjani (01:16:23) : Very clear

Faiyaz Nurmohammed (01:16:31): about what kind of balances we are holding that non subscription barrier.

Ali Ali (01:16:41): Okay, I mean I mean answer on their behalf because I, we were the one in the office at the time. We had taken some money from the burial account to put into a fixed deposit interest bearing surgery bond. So that it can create interest rather than the money just sitting there. So in the one million, over 1 million bank balance, which you had seen in the Hujjat Main account, part of it, I think roughly about 400,000 belongs to the burial team.

And this was done with the burial team's blessings and there was proper documents being done that these funds are not used by hujjat main committee for any other use. It's just a deposit so that it earns interest, then this money will be refunded back to the burial team. which we did before we left the office...

Mr. Chairman (01:18:20): Thank you Ali, Thank you very much. Again, question on the burial side?

Faiyaz Nurmohammed (01:18:31) : Can you please tell me whether any the funds that were borrowed by or borrowed or put into the main account, which were to be returned to the burial

SGM MINUTES (29/11/2024)

account have been used to reduce energy bills.

Mr. Chairman (01:18:47): No

Mahmood Padhani (01:18:53) : The interest that you received from the burial fund with the government bond that he says so is that without anybody knowledge. was the interest used towards Hairfield or not?

Mr. Chairman (01:19:03): No

Akil Kanani (01:19:11): I think just for clarification purposes, you're talking about burial team, burial dis, but.

No, no, it's not. Burial fund has an account, yeah? So, I think let's just make it very clear.

The burial fund account, not the burial team, or the burial, it's a burial fund. Burial fund, the subscription based burial fund, yeah? Which we get a separate report anyway, yeah?

An annual report, that tells us exactly how many members have they got? what they paid out as far as cemetery fees, etc., et. So, there is a separate report there that has its own accounts and numbers, right, and of that, there is there is a balanced circa four or five, whatever it is. Some of that amount was taken and placed in in the.

So it's a burial fund. The general burial activities that are actually undertaken for non-BF fund members, that, as far as any profit is made, surplus, that forms part of the general fund. hope that's clear. It Nothing goes into the burial fund pot, except subscriptions by the Burial Fund members. I hope that is clear and that is the practice that has been happening since 2005, I would say.

Mr chairman (01:20:42): thank you everyone So shall we then proceed from the burial now? Thanks.

Arif Punjani 01:20:47): Just to finalise it, just to answer your question, if you go on to 23-page number of 25, I've been just highlighted that the total fund for the burial £480,794.

Okay. So that's to answer the question. We'll continue with other bodies under the Jamaat.

This time is SIM. The fee income, £10K up compared to last year, £165 as opposed to £156. and the fundraising activities doubled. So, it's £9K. Overall total income of £175 compared to £160 last year,

The expenditure wise, they have gone up, and hence, obviously, we have a higher deficit, even though we have a higher income. And that's predominate due to the salaries and wages, that I believe the relevant person involved of the madrasah would be questionable. but the rent & pitch hire have gone up as well, about £30k circa. So those the two main pioneer reason as to why the this particular BuJU is more under deficit as opposed to last year, despite the fact that we have generated more income.

Audience (01:22:37): are they going to do something about the deficit?

Arif Punjani (01:22:38) : we already have taken some actions, especially if we have gone through with the employment contracts. for most Bodies under the Jamaat, the have been some very. Yeah. So, they've taken decision across the board, and they were very lenient and perhaps more considerable clauses that would benefit the employees that we have taken off with immediate defect.

So that could make an impact. it may not be a significant impact, but I'm pretty sure it would

SGM MINUTES (29/11/2024)

make at least 30 to 35% of the cost reduction.

Mr. Chairman (01:22:21): I think just to make it see, a lot when we're talking about BUJUS here, the tradition has been that they're sort of Semi-independent in the sense that they're all under the Jamaat, but they have a good management team in place.

Year to year basis, they have accumulated positive funds as well. Sometimes it goes, but yes, definitely what you're saying is they look at it and then they' make any measures that they have to do. They take those measures.

And yes, they're aware of it and they're trying to close the gaps.

Arif Hussain (01:22:56): I would just say, being a parent, I notice that the Madrassah fees went up this year, so I guess that's how they're trying to close the gap.

Mr. Chairman (01:24:01) : That's what I'm saying is that they've taken measures.

Faiyaz Nurmohammed (01:24:13): Can you please break down the salaries?

They have jumped exponentially. There must be something there that have caused that to jump, and it would be great if you can just give us a breakdown on that thing.

Arif Punjani: (01:24:26) As far as further breakdowns are concerned of the major headings that are there, I'll be more than happy if you can contact me separately and I'll give you the breakdown, but I'm not sure whether I can give you the breakdown in detail, by person, as of now as it is.

Faiyaz Nurmohammed (01:24:40): whats the reason for the jump?

Akil Kanani (01:25:00) : the answer is that they have employed an extra staff. Last year, they appointed as CEO. Yeah. So, a CEO

You're talking about the Madrassah, yeah? Specifically, about Madrassah. So, I I'm answering you specifically on the Madrassah, that they had an extra staff who they employed as a CEO. That was part of their vision to try and reduce the workload on volunteers and have paid staff carry out, because obviously Madrassah has a grown exponential. There's 1200 hundred odd students. So, operating that on a pure voluntary basis, I think would be quite stretched for them. So hence they went and appointed so yes, yes, of course they're struggling. They're struggling because they're in a deficit. Now, as parents, as that, yeah, we received a letter before this started to say our fees for 24 have gone up, quite considerably, and that in 25, they're going up and in 26 they're going up.

Right? So, they've got a 3-year plan that they're stepping up the fees, you know, to obviously mitigate some of the high deficit numbers that themselves have seen. You want a debate anymore?

I mean, then we've got to...

Mr. Chairman (01:26:37): No, I think that's a simple answer here, that the costs have gone up. They have employed. You're absolutely right.

Mr Chairman (01:27:04): Can I suggest that we have all the let him finish his presentation, and then we have all the questions, yeah? So, there's a request.

Audience (01:27:18): You aren't expecting us to jot everything down whilst he is going through it,

SGM MINUTES (29/11/2024)

seems unfair.

Mr.Chairman (01:27:27): Not at all. It's your meeting. We've called you.

We want you to go through. Yes. I would I preferably, it would be better if the questions came at the end when Because that's a normal procedure, but you feel that's not the way you want it.

Fair enough.

Makbul Bai (01:27:55): Chairman, I went through the accounts, I made notes of all the questions, and I'm waiting for the treasurer. I wait eagerly to answer to answer all those questions. before 10 o'clock, please.

Mr. Chairman (01:28:10) : So I think we'll have all the questions after the presentation is done, yeah?

Arif Punjani (01:28:15) : And just to really confirm the answer, because we don't carry the PAYE report in detailed, Mr. Nurmohammed.

So, we couldn't give you the detailed answer, but let alone it has been confirmed that there was one particular employee hired for £36,000 salary. in the last year. And if you were to compliment what Akil mentioned, the higher education and training has gone down, as we have more skill staff.

Going on to the other Bodies under the Jamaat, Saturday workshop. fees in line more or less £10K compared to £9,800 last year, and they expenditure wise - Significant expenditure on the donation paid for £20,000 to paid to Hujjat.

IMS fees - the same. The grants slightly up by £25,000. It's still a surplus, however, lesser compared to last year.

Hujjat Bookshop - the most complicated one, most sales and yeah, still profitable.

Seniors - Seniors seem to be eating more and has donating more so £20,000 donations compared to £15,000 last year, that's like 25% more. Membership has gone up. The expenditure was the same, hence made a profit.

Al Haadi Youth - Ghoghai is looking at it, similar donation, 45 & 48. Higher profit, despite the expenses have gone up because of the other expenditure that has been curved down to.

And that concludes the mother comparison of all BuJUs and the Hujjat Main and how it performed to last year, profit or loss, surplus or deficit advice.

So apart from Madrassah, and Saturday workshop taking out the £20k, all the other bodies under the Jamaat are doing very well.

Mr Chairman (01:32:18) : thank you so much for the presentation - Makbul, you had some questions in advance, if you'd like to address those here.

Makbul Jaffer (01:33:03): Thank you, Mr. Chairman. Firstly, my appreciation that you have given us a chance to debate the accounts discuss the accounts before sending them to the charity commission. I have questions, that Arif bhai you might have to write down.

So the previous financial statements, the property was shown as an investment property. Okay?

SGM MINUTES (29/11/2024)

And the problem was that the three investment properties that we have, Hairfield, Ruislip, and the flats had to be revalued.

And the EC did not reevaluate the auditors qualified it and they were about to pass them in the AGM. But I wrote Sajad Bhai. They' sitting there, you know, fed up with my emails.

I kept saying that telling them that never, ever has this Jamaat ever submitted accounts. without a qualification, and something somewhere clicked on a Saturday before the Sunday, AGM. And they pulled the account. I think they pulled the item.

I wasn't there, but I hear that they pulled the accounts, the item on the agenda. So thank you very much for giving us the opportunity to discuss it before they went to the Charity Commission. That's the precedence I would like future ECs to continue.

So then coming back to this investment property, this year, we've got the flat and the ruislip.

How come the auditors did not qualify their opinion, even though they were not revalued?

I see you on your page 13. And I've never come across before. page 13.

You got £122,192, under restricted funds. And I make this out going through the accounts with the fixed assets analysis and whatever. This is £122,192 is depreciation, probably on Harefield. But why is depreciation an expense under restricted funds? I mean, I don't understand why it has to be under restricted funds.

If it's freehold property. Okay, the second question.

The third question I think I think it's the same page.

You got insurance receipt of £1,035,000 or something. We had been assured by the previous president so many times that the insurance was settled at £1.5 million. Where is the spot in 480,000 disappeared? So can you answer that please?

Then you got creditors in the previous accounts, that is the ones give to you by the previous EC in June. Amount due within one year show £1,038,000 as other creditors in the drafts, which were submitted by the previous EC

but they are not shown in these revised audited accounts as £1,803,138. The difference exactly £801,000 increases in amounts due within one year, and the same amount is a decrease in amounts due after more than one year.

So what is this £801,000? The jump from amounts due over one-year amounts within one year?

The going concern, is here in your notes in the trustee report, that the trustee have a reasonable expectation to the charity to adequate resources to continue, in operational existence for the foreseeable future. So, my question is how did you convince the auditors that you can raise the 14 million and the other eight million totalling £22 million?

You must have explained it to the auditors in the foreseeable future. I'm talk about the next 12 months, although the loan is or October 25, whatever.

Investment income is shown as £1,959,049. Okay. Not for show rent received a £1,940,000 something.

Well, if you moved, I think the bulk of this rent is Harefield. Now, if your Harefield has moved to freehold property, how can its rent be investment income? It has to be other income according to me.

On Note 5A, is the figure for this year £1,138,227? Compared to 2022 of £664k. So, what's the difference what have you spent on and what's the depreciation?

I wanted to know was how do you depreciate in. I know that £20,000 depreciation is for Hujjat, and the balance must be for Harefield. And according to accounting policy, you provide depreciation in this freehold asset over 50 years. It's a 2%, so I just wanted to have an analysis of the pre-land and buildings into land and buildings, because land is not depreciated, right?

Note 5C, staff increase has gone up by £142,000, and the increase of actual staff is 15 staff. So how is this increase explained? By bonus? Or by giving them a 50% pay rise?

In your governance cost, you have shown auditor's fee of £6,000 compared to previous year of

SGM MINUTES (29/11/2024)

£7,500. Is it really a reduce any audit fees when there has been re auditor the whole thing, you know, with a new team, not the whole thing, sorry. whole thing, but part of it. The new team is redone, so is there another invoice still to come from the auditors for 2023 come? And we were told that the auditors resigned, but somewhere in the notes, I say that they are eligible for re-election. So, I don't know where I found it, but I think somewhere in the financial statements, it says the auditors are failing to re-elect.

Property, Note 9. I can't see a prior adjustment for depreciation of Harefield. Is that because you did not depreciate for 2022? The asset? I just wanted confirmation.

Debtors not shows trade debtors is a £598,162.

You just tell me what activity is the Jamaat does, that there are trade debtors of over half a million.

Cash in Bank shows £1,999.649.

How much of that is for Harefield? Because we have been told all the time that Harefield monies are ring-fenced.

Unrestricted Funds

Why have the trustees transferred out and not designated Any surplus funds for future for Islamic Monterey School, Tuition Centre, Madrassa, Workshop, Senior, and Youth. You just cleaned out their bank accounts, I think.

Or at least you met some accounting adjustments, or carried over and were brought forward as zero figures.

Restricted funds - I can see the bank balance that represents the 14m in restricted funds, so can you explain to what has happened to that figure.

Thank you very much. It's before 10 o'clock...

Sadiq (01:44:34): with regards to asset capitalisation - If you look at Harefield was acquired with a view for us to use as a community and not for purposes of rental income. When we acquired it, there were tenants that we inherited, and there was a lease that we inherited, so we had to ensure that lease was completed.

We were very clear that the lease was not going to be renewed, and that's what has happened. And because it was acquired as a community use, and the mandate was given on that basis, and not as an investment asset that has to be classified as a freehold property for the community.

Makbul (01:45:26): I didn't ask you that - I asked you about depreciation.

Sadiq (01:45:34) : Yeah, okay, so the depreciation on the prior year, the property was acquired in October, when the auditors looked at the depreciation and the priory adjustment, there's something called materiality levels when they do the audit.

And because the amount was not material, they did not adjust it into last year, but £122,000 of depreciation is a total cumulative depreciation to the end of December 2023. Which includes a portion of last year, yeah.

Makbul (01:46:07): So, it's 14 months, they appreciate. You have shown it under restricted funds, why?

Sadiq (01:46:12) : Because the funds for the assets that we have collected from Harefield is also under restricted funds.

Yeah, and if you look at your restricted fund question as to where you said that there is £14, £17 million or £14 million of restricted fund, but it's not represented by £14 million in the bank. If you go to the bank to the same, note sixteen, you will see that this capital fixed asset for £13.3

SGM MINUTES (29/11/2024)

million and then there's donations to it that we got during the year and the depreciation expenditure has gone out of that as well, and that is also to do with Harefield. But we would have to match if we because if we are classifying the asset as restricted any costs to do with that, we'll also have to come out of restricted funds.

Salim Hamir (01:48:22): Lots of question was brought in. You guys are replying. Suddenly there's a conversation. Either you finish the reply and then let him respond again, it's like you're watching two spectacle here... So can I request?
Okay. finish your replies and give him the opportunity to speak after.

Arif Punjani (01:49:07): So, I believe we have answered your first and second question of investment property and the depreciation under the last year. The third question is insurance funds of 1.5 as opposed to 1.07.

Sadiq (01:49:22): So, the insurance fund was £1.5 million because we have and we received as we did not spend the expenditure had to be matched because the insurance will pay you based on what your expenditure estimate was or what you lost was. because we had only spent a million something of that insurance fund that came in, the balance has been taken as carried forward within deferred income.

Arif Punjani (01:50:03): I'm going for the fourth question. Creditors of £801,000 difference.

Sadiq (01:50:08) : That is that is simply a reclassification from within one year - after one year by the time these accounts were signed, some of those creditors who had lent soft loans mainly to do with Harefield, had been paid back, and as a result, we had to classify that reclassify that for correct disclosure. Okay.

Arif Punjani (01:50:33): Whether there was a concern for the going concern of the fact that, 40 million as to how do we find it, we had a meeting with the auditors and discussion. We've had discussed our ideas as to what we intend to do, and that is followed with it. Of course, Auditor was satisfied, and hence, we had gone ahead with the going concern as to why we are a going concern of the charity.
Why the rental income should be treated as investment income as opposed to other income, and overall, the intent will remain the same, having said that at the time of when it was acquired, it was just a passing rent, as we were expecting for some period of time as opposed to for longer period of time.
And since the treatment was in the last year for the investment property, it made more sense to have it as an investment income.
The expenditures of religious and spiritual so 5A is number 19. The religious and spiritual activities expenditures have gone up by almost 250K. We have a breakup of that.

Sadiq & Arif (01:52:14): there's an increase in the madrassah/workshop cost and that there's an increase in overall cost as a result. We can give you a breakdown further. Some of these questions are more lined to the breakdown. For example, expand on freehold properties, £3.1 as opposed to £664,000 Similarly, we can give the breakdown of them as to where the figures were coming from. rather than going through it now. Yeah,
So, auditors were to resign, there was a change in the registered individual. The same firm of auditors as Murtaza Bhai initially mentioned, but the person who was supposed to sign off, which is called registered individual, had taken a back seat. So, there would be somebody within the same firm who would be signing off, who had signed off our set of accounts.

SGM MINUTES (29/11/2024)

So that's what the change of registered individual or registered pertaining to the last year, which is the year ending 2023 we were referring to. Whether there is a change in the new auditor, I don't think there is an appointment or any conclusion that has been made. So, I don't think there is any change as far as the auditors are concerned and they're willing to continue as well. Audit fee to go up or down, I mean, as it is like 6,000 or 7,500? I don't think we're expecting any more bill for it.

Yeah, but we are referring to 2023. So, this is what it is, £6,000 is audit fee. So, the question is not for the current or the future, yeah. adjustment for depreciation is already answered, it's been cognated within.

Makbul Jaffer (01:54:23): I'm not happy with the explanation of the depreciation shown as restricted fund. It's a freehold property. There's depreciation.

Why is it in this restricted fund? I don't understand it. I don't understand it.

But we can take this offline amongst the breakdown of Land and Buildings question. If you can send it to me offline.

Makbul Jaffer (01:54:50): I didn't quite still understand this restricted point of 14 million, but there was there was 13 million.

What was the approach figure in January 2022? Before Harefield? this has been raised many times at AGMs that we are using Bewa Yatim current funds for other purposes, like for the general fund.

Mr. Chairman (01:57:00): Sorry. can I come in on this point. Just to make it very clear that Harefield has its own bank accounts and Harefield expenditure and income goes to a specific bank account only.

We do not use any other funds towards Harefield.

Sadiq (01:57:28) : if you look at the 2022 accounts, yeah, the brought forward was £4.9 million and then there was a collection of £8.3 million, which was to do with Harefield, and that is when we acquired Harefield in October 2022.

Arif Punjani (01:58:37): I don't think you've digest the concept of restricted funds or why the restriction is there. It's a specific project.

So, going back to the answering your question of, you know, why when you didn't have it with Stanmore, at that time, anything towards Stanmore, and everything that has been accumulated for Stanmore would have gone as restricted funds. Now, maybe 10 years down the line, we could go for different projects altogether.

At that time, anything and everything to do with Stanmore and Harefield could have been combined, and that particular project would be a restricted fund. So, depending on this subject depending on the circumstance, when you're referring to. And that's what usually happens, Yeah, because that was the initiation.

Mr. Chairman (01:59:22): I think the whole point over here is maybe you can have an offline discussion, explain to him the whole concept of how this has come about. Yeah, and then we can move on to other questions in our as well.

If that's okay with you? Yeah, and in the meantime, he'll explain to you the the funds as well, the specific ones. Yeah. bank for.

So, can we move on to the next, anybody else who would like to Yes Faiyaz Bhai.

Faiyaz Bai (01:59:47): Thank you. So, the first question is that when the draft accounts were

SGM MINUTES (29/11/2024)

published, those accounts were qualified by the auditor, Gerald Edelman, and the statutory auditor representing the firm, it signed the accounts of. Six months later, magically,.

Salim Hameer (02:00:15): So, the statement which was made is now incorrect. The accounts were not signed off, so's not a draft, and they were not. agreed by the EC, so needs to be kind of like, you know discussed correctly with the correct information. Okay, you say the auditor is signed off. No auditor was signed off, please. Can you with correct information, right?

Faiyaz Bai (02:00:54): Okay, let me respond to Salim response. I'm happy to be corrected, but I expect the chair to be in control. So, I'll continue now.

So the accounts are not signed off, the accounts are published. Those accounts were qualified, and then six months down the line, same Audit firm, different Auditor, I'd like to know what happened there. Signed the accounts, reclassified Harefield as from investment property into land and buildings, freehold property.

So I would like to know the sequence of events that transpired which led the same Audit firm to change its qualification and what representations were made by the trustees of KSIMC of London to the auditors, which enabled them to make such a drastic change to the qualification of the original report. That's one.

The second thing is, in the on page 17, prior adjustment, it says the property acquired in October 22 was intended for mixed use, including the charity's own use and should have been classified as a property plant and equipment from the date of acquisition.

That's a shocking statement because it is refuting the original claim of the same audit firm. So, I question the competency of the Audit firm or the information that was presented by the trustees of our charity to the auditors, for them to make a changed decision. So that's one.

The second thing is that it says one second. The World Federation. So, I'm going to page 22.

Other creditors include an unsecured advanced received from the World Federation of KSIMC.

So that's other creditors of, I guess, £8.6 million I truly believe that there is a secret arrangement between the World Federation and London Jamaat regarding the true description of WF House.

So, I question this point I'm raising because I'm questioning the classification or reclassification of Harefield from an investment property into a freehold property.

Next question is, I don't know if Makbul bai is already asked this. I didn't hear the answer.

debtors, ten trade debtors, £598,162. No comparatives, substantial amount.

If you could explain to me where the half million no more comes from Okay?

So back to debtors again, other debtors, there was no comparative in 22. 142K. if you could please elaborate on that.

so the staff costs, I can say that the employee numbers went up by two, but the staff cost has shot up from £377K to £520K. That's a massive increase, and it'll be very interesting to know what the components are in that figure.

repairs and maintenance, which shows £1 million,71. £1 million, 171, I guess that's probably the renovation towards Stanmore.

I don't know. Maybe if you can just verify that for me. and that's it, thank you. Okay.

Arif Punjani (02:05:38): Previous draft accounts showed qualification, which was obviously just published and not filed, nor signed, to what now it has not been qualified and why the declassification. I think the reclassification reason has already been explained to you, and as long as you understand the reason as to why it has been reclassified, it answers the question as to why the correct treatment of the asset is mentioned within the accounts.

SGM MINUTES (29/11/2024)

Sadiq (02:06:12) : First of all, the qualification which was there in the of the draft that was in the previous AGM was a very technical qualification, and it is by technical, I mean, it was on the basis of the valuation of freehold property. It was on the fact that the valuation wasn't given or something, it was that the valuation wasn't done, and it is just a technical qualification rather than sort of alarming something different. So that's one.

Secondly, the reclassification of the property as I mentioned earlier when I answered Makbul Bais question, was the fact that the Harefield property was a quiet, and the general body gave us the mandate on the basis that it was going to be used for us as a community, for a community use purposes and not as an investment property. When we acquired the property, there was already a lease in place that we had inherited, and we had to see through that lease to the end. And on that basis, the rental income is a passing through rental income.

And because it was acquired for a community use, it is only prudent to look at the substance of that transaction rather than its legal form and the fact that the substance was that it was to be used for us as a community use, we had reclassify that property from investment property into freehold land and property.

Faiyaz Nurmohammed (02:07:51) : if the substance of the original mandate changes, so let's say next year when the current tenants move out and circumstances change or the original intention of that mixed use changes, would that mean that the financial statements for next year, the auditor, would they need to look at it again and reclassify if they see it fit or there is it's just set in stone now. It is investment and that's it.

Sadiq (02:08:30): No, So if the circumstances change and we decide that it's not going to be a community to use anymore, and it's going to be an investment property. At that time, they're left to reclassify it. But the current use and the objective of that property was community use. the EC got the mandate from the general body on the basis that it was going to be acquired for us as a community use.

Faiyaz Nurmohammed (02:08:30) : So does it mean full use or a part use for a community to use would enable a reclassification?

Sadiq (02:09:11) : It would that a full use or a part use, it was acquire with the intention of the use of the community. It was acquired solely for the purpose of the community.

Faiyaz Nurmohammed (02:09:23): That's fine, but in practice, in practice, in subsequence, not legal form. if it's partly investment and partly own use, I'm asking you as an auditor just for my knowledge. I'm learning the game. So, what would you say to that?

Sadiq (02:09:38): So, the lease which is there in place now is an inherited lease, and it's a passing through rental income. Our intention is to use the property, whole property entirely for us as a community to use.

Other creditors of £8.6 million under note number 14. What is a breakup with that? So, the other creditors, that's mainly the World Federation.

And as it stands now, that is simply a loan from World Federation to us. They have an option to buy one of the property, but that has not happened yet.

No, so that WF house is they have an option to acquire it at a set price, but that is not a sold transaction yet.

Faiyaz Nurmohammed (02:10:39): So the eight million is not the final or full amount, the WF has paid to stand a good.

SGM MINUTES (29/11/2024)

Sadiq (02:10:50) : They could have paid the full amount. Yeah.

Okay, or not, we need to investigate that, but that is as it stands, that is alone.

Faiyaz Nurmohammed (02:11:01): Yeah, it seems very hazy that relationship and the nature of the transaction. That's just my comments. Thank you...

Sajjad Tejani (02:11:17): Just for Faiyaz Bhai on the world federation, if you remember we had this meeting the loan, the co-op loan is on Stanmore the 14.1 million, sorry Harefield, but it is under Hujjat. The loan is on Hujjat until we don't pay that loan off, we cannot. Everything is under our name. That's why this loan is there. So, we in that meeting in the EGM is one of the general meetings we mentioned that we are doing a memorandum of agreement with World Federation that once the loan is paid off, then we'll give them a long lease. Now, we cannot be seen, we can't give, because co-op is going to object, or whether the lenders would object. So that was clarified in its whole minuted and it was the general body is aware of that. And that's why it's a loan.

Faiyaz Nurmohammed (02:12:16): Just asking a question from a knowledge point of view. So if everything's cleared up and you give them a long lease, would that impact the nature of this acquisition as far as investment slash freehold is concerned. I'm asking you because I'm not an auditor.

Sajjad Tejani (02:12:38): No, it would not.

Arif Punjani (02:12:43): Okay. The rest I can just go through with the questions straightforward. Trade debtors - page 22. Why it wasn't in the last but is in this year - because of Harefield rent. Yeah, that's for December quarter and. Yes, yeah, that is Yeah, that we must receive. Quarterly in advance.

Other Debtors - comprises of the tax refund and the prepayments and I will give you the breakup of that, and that's how the other debtors of £142,000 has come up.

Staff costs - I need to give you the PAYE - obviously to take the names out, and I can you the breakdown of it

Repairs & Maintenance - They all pertain to Stanmore. And again, I can do the breakdown of it. Thank you.

Mr. Chairman (02:13:43) - Are you, any other, or are you fine? Anybody else? If nobody has. Ali, you have a question?

Ali Ali (02:14:03)- I have a problem with the wording of the accounts on page 21. The freehold was acquired on 11th of October 2022.

So two points to raise here because these meeting is minuted and I would like this to be minuted as well. The first thing is that I was on the other side when this was presented. And I vehemently defended my position to classify it as investment property and a gentleman by the name of Kanani, the Azad Kanani objected to it, but I vehemently defended it. This put me in an awkward position. that I was wrong at that time, which I don't which I don't believe I was. Because at that time I defended it. Number one, number two is.... *did not raise second point*

Mr. Chairman (02:15:56): Okay, can we answer that?

Sadiq (02:16:00): I know you're on this side, and I know you defended that as investment

SGM MINUTES (29/11/2024)

property. But if we look at the mandate under which the property was acquired, was the intention always to rent?

You know the definition of investment property. What was the intention of acquiring that property? We have to look at the substance of the transaction

Ali Ali (02:16:25) - Okay, so, you know as well as I know, mix use property, the guidance is not clear state clear and straightforward.

Sadiq (02:16:35): Yes, correct?

Ali Ali (02:16:36) : So, whether we say Investment property or PPE, is the same. we can argue day and night. My other issue is this, that the transferring of from investment property to PPE was never, ever discussed in the EC meeting of the previous committee. It was never discussed in the EC meeting. It was never passed by the EC. So, who did this? Did you, your committee, did your committee, can you prove it only in your EC meeting minutes that you discussed this and you adopted this stance of transferring from investment property to PPE?

Sadiq (02:17:38): This was discussed in the EC meetings, having looked at the transaction from the beginning and the intention from the initial day when the property was acquired and on that basis, a decision was made reclassified.

Sajjad Tejani (02:17:59): so I think I had chaired the meeting the meeting last year, and the minutes mentioned my names that I had said investment income, investment property, but it was when we sat with the auditors and we looked at the whole situation, we reclassified it. So fine, it was a mistake, and we told the auditors that this is what is the case.

And he said, you can reclassify it, and it was reclassified, and here we are with the audit, and we went at that point when the auditors gave us the final accounts, we discussed at EC level, and the EC approved it. And here we are. So, we could be wrong, but we have reclassified it.

And here we are. So, again, the minutes have come here, is being recorded here, that's fine, so I'm hands up. I did say that it was investment property last year, but when we sat down, and now the tenants almost all left now.

So what is left now? We're not going to get any investment income. It's all empty now, almost all empty.

So do we still say that its investment property, no, it's not? So, the whole situation in 12 months has changed. and that's why we have reclassified it. Thank you.

Mahmood Padhani (02:19:13): I'm just going one question about, because this is bugging me a little a little bit. The loan that World Federation has, why don't the service that loan?

Because if they did that, then the bigger loan can be paid off by Hujjat. It seems that the World Federation are having their cake and eating it as well. They can't have it that way, and it seems that you Hujjat or you lot, should push them to service that loan or purchase the house, and you have that monies. Why is not that not being done? Notwithstanding the meeting that you had that can have their loan, but they need to service it. They can't keep on going like this, because you don't realise that asset, that when they wide loan must be paid, what are you going to do then?

They' they take their loan back, then what? Sure. There is some kind of secret arrangement between them that you have not elucidated further up to this brother Faiyaz mentioned.

This is a hazy structure, some mafia here involved here, I think.

Mustafa (02:20:16): Thank you both of you Arif and Sadiq for the presentation of the accounts. I

SGM MINUTES (29/11/2024)

just want to clarify one thing, and that is what you said, that in the going concerned note, you had a discussion with the auditors, and you satisfied the condition about the £14.25 million which you must pay in October 25. I don't know whether that this is appropriate or not, but I want to know myself exactly what recourse and what are your intentions. behind what you have satisfied. Perhaps also as a member, I want to know what the way forward is.

Mr. Chairman (02:21:00): Yeah, no, I think it's a good question. And whether or not you said is the right forum, maybe I can just give you a little bit. The thing is that you're absolutely right. We have a committee in place of professionals that are looking at all of this on seeing how to structure. Sorry, my apology, how to collect those 14 million and clear them off. We have constant conversations with the co-op guys as well, and they have not been hitting hard and saying, oh, you know, is there a problem out there or not? All I can say is that in the next month or so Insha'Allah, we're gonna come well prepared with the vision document on what we plan and how we plan to work on that £40 million. So, if that's okay with you, we will be a lot more informative meeting at that time, and then we can discuss and have that special Harefield meeting. Yeah? Thank you.
Anybody else?

Makbul Bai (02:22:17): Sorry to land on the meeting - like Ali bhai said - last year on 23rd of October 2023, I was at the meeting in Sajjad Bhai here, defended in the classification of Harefield and the investment property. And if you check the minutes, it says that the auditors decide that it was the investment property...

Not the EC. this year, the auditors have now decided that it should be freehold property. I don't want the answer I'm just trying to say that it was actually the auditor to classify it as a as it freehold property.

Makbul and Murtaza discusses the topic of 1.5 million raised earlier, decides to take it offline

Mr Chairman (02:24:09) - Yeah. Great. So, I know questions, presentation completed. We will be happy to adopt these accounts, and we get the treasury to submit these two the Commission for tomorrow. Yeah, yeah, so can I have a proposer?

Proposer: Makbul Jaffer

Seconder: Anwar bai Jagani.

Are we all okay with this? Ahsant, thank you very much. Okay, any against? Nil - abstentions? Nil - the motion has been carried forward.

02:25:29: Meeting ends