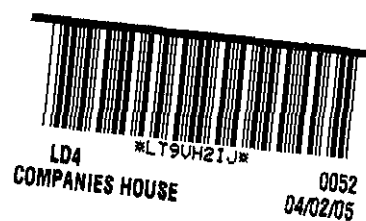


ASIA HOUSE
Company Limited by Guarantee
Registered Charity
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

Company number: 3312073
Charity number: 1072696



ASIA HOUSE

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2004

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ASIA HOUSE

LEGAL AND ADMINISTRATION

TRUSTEES

Sir Patrick Gillam (Chairman) (resigned as trustee and Chairman on 20th January 2005)
Sir Peter Wakefield KBE, CMG
Charles Allen-Jones
The Hon. Apurv Bagri
Giuseppe Eskenazi
Sir David John KCMG
Lord Killearn (Appointed Interim-Chairman 27th January 2005)
Robert Skelton OBE
Edmund de Unger

CHIEF EXECUTIVE AND COMPANY SECRETARY

Stefan Kosciuszko

CHARITY REGISTRATION NUMBER

1072696

COMPANY REGISTRATION NUMBER

3312073

GOVERNING DOCUMENT

Memorandum and Articles of Association

REGISTERED OFFICE

105 Piccadilly
London W1J 7NJ

AUDITORS

haysmacintyre
Chartered Accountants
Fairfax House
15 Fulwood Place
London WC1V 6AY

BANKERS

HSBC.
89 Buckingham Palace Road
London
SW1

SOLICITORS

RadcliffesLeBrasseur
5 Great College Street
London SW1P 3S5

ASIA HOUSE

TRUSTEES' REPORT

FOR THE YEAR ENDED 30TH JUNE 2004

The trustees of Asia House present their annual report and financial statements for the year ended 30th June 2004.

CONSTITUTION

The company was incorporated on 29th January 1997 and was registered as a charity with the Charity Commission on 2nd December 1998.

On 30th June 2000, Asia House purchased as a going concern all of the undertakings, assets, liabilities and obligations of Asia House Trust, a registered charity which had substantially the same objects as Asia House.

TRUSTEES

The trustees who served during the year are disclosed on page 1.

OBJECTS OF THE CHARITY

To establish and maintain an Asian Institute to promote appreciation and understanding of Asian countries, their arts, religions and economies, and to foster closer communication between the peoples of Asia and Europe through a programme of exhibitions, publications, lectures, conferences and meetings.

PRINCIPAL ACTIVITIES

The Corporate Programme has had a very active and full year with a record number of events organized and in particular we have received the Heads of State from Vietnam, Pakistan, Mongolia and Malaysia for Asia House events held in their honour. A major conference was held on Trade & Investment in Pakistan attracting 450 participants, which followed up from a SAARC Roundtable with the principal High Commissioners in attendance after the successful SAARC summit in Pakistan at the beginning of 2004. Successful events were held for the UK-Japan 21st Century Group and the UK-Korea Forum.

The Cultural Programme continued a high level of activity with our new programmes for Food and Film being widely acclaimed with sell-out successes. Events of note included bringing the China National Ballet to the UK for the first time since 1986 for a performance of "Raise the Red Lantern" which resulted in us being selected for the first time as a finalist for the Pearl Awards for Artistic Endeavour. We had a successful lecture series on "Understanding Hinduism" with speakers from three continents speaking to an audience in excess of 2000 people over the six lecture series. In January in a celebration of Indian Republic Day we brought together five of India's leading cultural icons for a one off full house performance at the Royal Festival Hall. We have also launched a series of mini-festivals on contemporary culture entitled "Connecting Cultures" which has already featured Korea and Singapore. At the end of the period there were approximately 720 individual members. The group of benefactors launched in May 2002, the Cultural Patrons, has continued to grow and now stands at approximately 140 participants (2003:100)

DEVELOPMENTS DURING THE YEAR

There were no changes to the composition of the Trustees body or the senior management team.

The most significant development during the year, following the final resolution of outstanding planning difficulties as reported last year, was the completion of the financial arrangements for the development of the new Asia House headquarters building at 63 New Cavendish Street. A 25 year loan agreement on very favourable terms was signed with three principal lenders namely, HSBC, Prudential and Standard Chartered. This refinancing permitted the commencement of the refurbishment programme which now has a completion date of July 2005. It also replenished cash reserves which had been depleted through expenditure of monies on the building project and in particular the delays that had been associated with planning obstacles.

The Corporate and Cultural Programmes performed at a record level of activity with the execution of nearly 100 events involving 16 Asian countries and a growing recognition of the activities of Asia House within important grant aiding and other government bodies including the Arts Council. This has led to our first Heritage Lottery grant for £50,000 in respect of an Education Programme to be run in conjunction with a major exhibition in association with, and funded by, the Wellcome Foundation entitled Asia: Body, Mind, Spirit in October.

ASIA HOUSE

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30TH JUNE 2004

GOVERNANCE

A panel consisting trustees select members of the trustee board. Trustees serve for a three year period and may be re-elected for a further three year period. The Trustees meet a minimum of six times a year.

RESULTS FOR THE YEAR

The consolidated result for the year showed a deficit on unrestricted funds of £151,621 as compared to last year's deficit of £116,666. This variance was predominantly as a result of increased costs relating to £45,000 of non-renewable corporate membership subscriptions, readjustment of salary levels to bring them into line with NCVO standards, employment of a senior fundraising member of staff and further costs to support this effort at this important time, a limited investment in IT infrastructure and professional fees related to refreshing the Articles of Association, reviewing complex VAT changes and the building project. Taking into account a number of these factors the financial performance recorded is a considerable improvement from last year. Funds covenanted from Asia House Enterprises in respect of corporate membership renewals showed an increase from last year with the positive effect of a new tiering of membership payments and an increase in membership. An administrative charge applied to cultural events had a significant positive effect on income as did a doubling of revenues from expanded cultural patron membership. However the full effect of the loss of a proportion of the bi-lateral activities upon the departure of the previous Chief Executive was also recorded.

FUTURE PLANS

The stability and long term future of the charity has been considerably assisted by the completion of the financial arrangements for the headquarters building at 63 New Cavendish Street. With the 25 year loans in place and the refurbishment programme actively progressing towards a completion date of July 2005 planning has commenced for activities to take place in the new building including exhibitions, lectures, educational activities and the use of the café and public areas.

The fund raising programme is progressing and potential expressions of interest are actively being discussed. In particular we have already secured a grant from the Film Council for the necessary AV equipment to launch an exciting film programme. The opening of the building will be a further boost to our profile and success and will assist in attracting further funding to boost reserves to a satisfactory level.

The high level of activity for the Corporate Programme will continue with increased efforts to attract new members and specific funding is being sought to develop the programme further.

The Cultural Programme which has successfully expanded into the new areas of Food and Film will continue to improve upon the profile and breadth of events during the coming year, as will the continued growth of the Cultural Patrons who have doubled in number this year.

Plans for events in the new building will especially focus upon our educational activities and we are actively seeking funding for an Education Officer for a three year term to support all our activities with an active approach to community engagement.

RESERVES POLICY

Asia House is a young charity whose activities have grown very fast. The trustees were persuaded that in the early years of the life of the charity they would be entirely justified in authorising the build up of a significant reserve to act as a cushion against any shortfall in revenue, temporarily to meet some of the costs of the building project and to build up the programmes. This cautious policy has been justified, in particular, by the economic uncertainties in Asia where many of Asia House's supporters have extensive business. No attempt has been made, therefore, to invest the substantial surpluses generated in equities or equity based products, given volatile stock market conditions in this period. All funds have been placed on bank deposit.

ASIA HOUSE

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30TH JUNE 2004

RESERVES POLICY (continued)

Current policy remains to build up reserves as rapidly as possible, but with due regard for prevailing market conditions:

- as a precaution against adverse economic conditions and any consequent decline in income.
- to permit the development of ambitious programmes which are often resource hungry, in the cultural sphere.
- to provide funds for the development of 63 New Cavendish Street.
- to provide assurance to members of staff and to those with whom we undertake commitments of Asia House's reliability as an employer and partner respectively.

The trustees will continue a policy of careful cash management and the build up of unrestricted reserves. The free reserves of the charity excluding the fixed assets and mortgages that relate to it, amount to £(267,564).

INTERNAL CONTROLS AND RISK REVIEW

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement and loss. They include:

- Regular written reports submitted by the chief executive
- A strategic plan and an annual budget approved by the trustees;
- Regular consideration by the trustees of financial results, variance from budgets and non-financial performance indicators;
- Identification of management of risks.

The trustees have introduced a formal risk management process to assess business risks and implement risk management strategies. This involved identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. This year has seen improvement across the majority of risk factors noted. As part of this process the trustees have reviewed the adequacy of the charity's current internal controls.

In addition the trustees have:

- Set policies on internal controls which cover the following:
 - consideration of the type of risks the charity faces;
 - the level of risks which they regard as acceptable;
 - the likelihood of the risks concerned materialising;
 - the charity's ability to reduce the incidence and impact on the business of risks that do materialise; and
 - the costs of operating particular controls relative to the benefit obtained.
- Clarified the responsibility of management to implement the trustees' policies and identify and to evaluate risks for their consideration;
- *Communicated that employees have responsibility for internal control as part of their accountability for achieving objectives;*
- Embedded the control system in the charity's operations so that it becomes part of the culture of the charity;
- The ability to respond quickly to evolving risks arising from factors within the charity and to changes in the external environment.

ASIA HOUSE

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30TH JUNE 2004

ASIA HOUSE ENTERPRISES

The Corporate Programme of Asia House, run through Asia House Enterprises, conducted a record number of corporate events including organizing events for the visits of the Heads of State for Vietnam, Malaysia and Mongolia. Timely events were also held for reviewing the improvement of relations between India and Pakistan including an event on SAARC and a debriefing from Mike O'Brien, Minister of State for Trade and FCO on his trips to Pakistan and India.

A large one day conference was held in our role as Secretariat for the Pakistan Britain Trade & Investment Forum. However during the course of the year UK T&I decided, following a review of their business councils, to take the Malaysian Business Council back under their remit.

Corporate membership income after accounting for £45,000 of non-renewable subscriptions, was on a very positive trend following the introduction of tiering of membership and an increase in membership, however considerable work remains to be done in this area to increase income to an appropriate level.

Asia House improved its record as the leading organizer of events on the Asian economies.

Directors who served during the year were Sir Patrick Gillam, Stefan Kosciuszko, Hugh Norton and Richard de Unger.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 company as at the end of the financial year and of its incoming resources and application of resources during that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue its activities.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution reappointing haysmacintyre will be proposed at the AGM in accordance with S385(2) of the Companies Act 1985.

BY ORDER OF THE BOARD OF TRUSTEES AND SIGNED ON ITS BEHALF BY



Lord Killearn (Chairman)

Date: 27th January 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

OF ASIA HOUSE

We have audited the financial statements of Asia House for the year ended 30th June 2004 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. The Trustees are also Directors of Asia House for the purposes of Company Law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

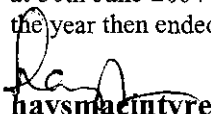
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's and of the group's affairs as at 30th June 2004 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


haysmacintyre
Chartered Accountants
Registered Auditors

27th January 2005

Fairfax House
15 Fulwood Place
London
WC1V 6AY

ASIA HOUSE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30TH JUNE 2004

INCOME AND EXPENDITURE		Unrestricted Funds £	Restricted Funds £	Total Funds 2004 £	Total Funds 2003 £
	Notes				
INCOMING RESOURCES					
Cultural and patron events		155,312	-	155,312	51,404
Cultural and Patron membership		35,308	-	35,308	16,001
Grants		-	24,750	24,750	-
Donations		11,660	11,658	23,318	11,619
Sponsorship		10,955	-	10,955	
<i>Activities for generating funds:</i>					
Income of trading subsidiary	3	189,176	-	189,176	181,804
Fundraising dinner		-	-	-	56,826
Other income	2	25,002	-	25,002	43,905
Interest receivable		39,691	-	39,691	24,576
Total incoming resources		<u>467,104</u>	<u>36,408</u>	<u>503,512</u>	<u>386,135</u>
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising		65,368	194	65,562	30,116
Trading subsidiary expenses		8,424	-	8,424	28,885
Fundraising dinner		-	-	-	40,717
Direct charitable expenditure:					
Monies Repaid		-	50,812	50,812	-
Cultural programme		463,567	15,418	478,985	338,292
Management and administration		81,366	224	81,590	63,931
Total resources expended	4	<u>618,725</u>	<u>66,648</u>	<u>685,373</u>	<u>501,941</u>
NET MOVEMENT IN FUNDS	5	(151,621)	(30,240)	(181,861)	(114,806)
FUND BALANCES BROUGHT FORWARD					
		<u>273,715</u>	<u>708,021</u>	<u>981,736</u>	<u>1,096,542</u>
FUND BALANCES CARRIED FORWARD AT 30 JUNE 2004					
		<u>£122,094</u>	<u>£677,781</u>	<u>£799,875</u>	<u>£981,736</u>

- All of the charitable company's activities are derived from continuing activities.
- All recognised gains and losses are included in the Statement of Financial Activities.


ASIA HOUSE

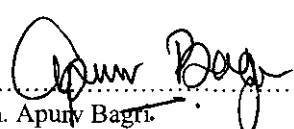
CONSOLIDATED BALANCE SHEET

AS AT 30TH JUNE 2004

	Note	£	2004 £	£	2003 £
FIXED ASSETS					
Tangible assets	8		3,329,658		3,063,880
CURRENT ASSETS					
Debtors	10	191,765		103,038	
Cash at bank and in hand		1,083,026		594,610	
		<u>1,274,791</u>		<u>697,648</u>	
CREDITORS: amounts falling due within one year	11	<u>(864,574)</u>		<u>(229,792)</u>	
NET CURRENT ASSETS			<u>410,217</u>		<u>467,856</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,739,875		3,467,386
CREDITORS: amounts falling due after one year	12		<u>(2,940,000)</u>		<u>(2,550,000)</u>
TOTAL NET ASSETS			<u>£799,875</u>		<u>£981,736</u>
Represented by:					
FUNDS AND RESERVES					
Unrestricted – General fund			122,094		273,715
Restricted fund	13		677,781		708,021
			<u>£799,875</u>		<u>£981,736</u>

Approved by the Board of Trustees on 27th January 2005 and signed on its behalf by:

.....

 Lord Killearn (Chairman)

.....

 The Hon. Apurv Bagri.


ASIA HOUSE

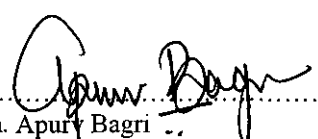
CHARITY BALANCE SHEET

AS AT 30TH JUNE 2004

	Note	£	2004 £	£	2003 £	£
FIXED ASSETS						
Tangible assets	8		3,329,658		3,063,880	
Investments	9		3		3	
			<u>3,329,661</u>		<u>3,063,883</u>	
CURRENT ASSETS						
Debtors	10	117,940		23,918		
Cash at bank and in hand		1,056,400		569,158		
		<u>1,174,340</u>		<u>593,076</u>		
CREDITORS: amounts falling due within one year	11	(764,126)		(125,223)		
NET CURRENT ASSETS			<u>410,214</u>		<u>467,853</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			3,739,875		3,531,736	
CREDITORS: amounts falling due after one year	12		(2,940,000)		(2,550,000)	
TOTAL NET ASSETS			<u>£799,875</u>		<u>£981,736</u>	
Represented by:						
FUNDS AND RESERVES						
Unrestricted – General fund			122,094		273,715	
Restricted fund	13		677,781		708,021	
			<u>£799,875</u>		<u>£981,736</u>	

Approved by the Board of Trustees on 27th January 2005 and signed on its behalf by:


 Lord Killearn (Chairman)


 The Hon. Apurv Bagri

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost basis, in accordance with the Statement of Recommended Practice (Accounting by Charities), SORP 2000, Companies Act 1985 and with applicable accounting standards.

Basis of consolidation

Group financial statements consolidate the financial statements of Asia House and its wholly owned subsidiary undertakings, Asia House Enterprises Limited and Sixty Three New Cavendish Limited for the period ended 30th June 2004. In accordance with Section 230 of the Companies Act 1985, no separate statement of financial activities is presented for Asia House.

Fund accounting

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the trustees.

The restricted fund comprises monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Non charitable trading fund consists of the retained profits of activities conducted through non-charitable trading subsidiaries.

Incoming resources

With the exception of voluntary income arising from donations, all income is credited to the statement of financial activities on the accruals basis.

Donations are credited to the statement of financial activities in the year in which they are received.

Resources expended

Direct charitable expenditure comprises direct expenses incurred on the defined charitable purposes of the charity and includes direct staff costs attributable to the activity and an allocation of the general management and overhead costs.

Fundraising costs comprise expenditure incurred by the charity in inducing others to make contributions to it.

Management and administration costs include expenditure on general administration and management, and of compliance with constitutional and statutory requirements.

Cash flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

Fundraising Dinners

Where fundraising dinners are held and the surpluses are to be shared between Asia House and other charities, all the income and expenditure relating to the event is reported in the accounts. Any share of the surplus paid to other charities is included within the costs of the fundraising dinner.

ASIA HOUSE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30TH JUNE 2004

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Fixed assets are stated at cost.

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives as follows:

Redevelopment of leasehold property	- 2% p.a. straight-line
Office equipment	- 25% p.a. straight line

No provision for depreciation will be made in respect of the long leasehold property improvements until the redevelopment is complete.

Pension costs

Contributions are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

2. OTHER INCOME	2004 £	2003 £
UK – Korea Forum	2,500	12,500
British Malaysian Society	6,661	9,616
UK – India Round Table	-	7,376
UK Japan 21st Century Group	9,990	7,523
Pakistan-Britain Trade Investment Forum/Special projects	5,250	922
Miscellaneous income	601	5,968
	<u>£25,002</u>	<u>£43,905</u>

3. RESULTS OF TRADING SUBSIDIARY

Asia House has two wholly owned trading subsidiaries which are incorporated in the UK.

The principal activity of Asia House Enterprises Limited is the corporate membership and programme. The company covenants its profits to Asia House under Gift Aid.

	2004 £	2003 £
Income	189,176	181,804
Expenditure	(8,424)	(28,885)
Operating profit	<u>180,752</u>	<u>152,919</u>
Interest receivable	241	302
Profit on ordinary activities before Gift Aid	<u>180,993</u>	<u>153,221</u>
Amount payable to Asia House under Gift Aid	(180,993)	(153,221)
Result for the year	<u>£-</u>	<u>£-</u>

Sixty Three New Cavendish Limited did not trade during the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30TH JUNE 2004

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Other £	Depreciation £	Total £
Costs of generating funds:				
Fundraising	42,003	23,559		65,562
Trading subsidiary expenses	-	8,424		8,424
Direct Charitable expenditure:				
Monies Repaid	-	50,812	-	50,812
Cultural programme	241,367	237,618	-	478,985
Management and administration	49,645	27,663	4,282	81,590
	<u>£333,015</u>	<u>£348,076</u>	<u>£4,282</u>	<u>£685,373</u>

	2004 £	2003 £
Other expenditure is split as to:		
Events	106,626	104,451
Rent and rates	52,523	55,225
Postage printing and stationery	31,904	14,116
Telephone and fax	7,466	6,340
Professional charges	37,779	40,954
Travel	7,924	4,073
Expenses on 63 New Cavendish Street	15,232	13,787
Entertainment	5,943	3,268
Books and subscriptions	1,459	690
Repayment of Japanese Garden monies	50,812	-
Repairs and maintenance	9,980	3,339
Other	20,428	23,049
	<u>£348,076</u>	<u>£269,292</u>

5. NET MOVEMENT IN FUNDS

	2004 £	2003 £
The net movement in funds is arrived at after charging:		
Staff costs	333,015	231,252
Auditors' remuneration	4,100	4,350
Depreciation	4,282	1,398
	<u></u>	<u></u>

6. STAFF COSTS AND NUMBERS – CHARITY AND GROUP

	2004 £	2003 £
Staff costs during the year were:		
Salaries and wages	297,453	206,105
Social security costs	31,542	19,818
Pension costs	4,020	5,329
	<u>£333,015</u>	<u>£231,252</u>

The number of employees whose total emoluments were £70,000 - £79,999 during the year was 1.

The average number of employees during the year was 10 (2003: 9).

ASIA HOUSE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30TH JUNE 2004

7. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

The trustees received no remuneration for their services during the year.

2 trustees were reimbursed expenses totalling £3,000 (2003: 2 trustees were reimbursed totalling £1,498).

8. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Redevelopment of leasehold Property £	Office Equipment £	Total £
COST			
At 1st July 2003	3,063,275	41,925	3,105,200
Additions	255,351	14,709	270,060
At 30th June 2004	3,318,626	56,634	3,375,260
DEPRECIATION			
At 1st July 2003	-	41,320	41,320
Charge for the year	-	4,282	4,282
At 30th June 2004	-	45,602	45,602
NET BOOK VALUE			
At 30th June 2004	£3,318,626	£11,032	£3,329,658
At 30th June 2003	£3,063,275	£605	£3,063,880

The net book value at 30th June 2004 represents fixed assets all used for charitable purposes.

9. INVESTMENTS

	Charity	
	2004 £	2003 £
Investment in subsidiary undertakings:		
Asia House Enterprises Limited	2	2
Sixty Three New Cavendish Street Limited	1	1
	£3	£3

Asia House owns all of the issued share capital of Asia House Enterprises Limited and 63 New Cavendish Street Limited. The reserves of both subsidiaries at 30th June 2004 were £Nil.

ASIA HOUSE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30TH JUNE 2004

10. DEBTORS	Group		Charity	
	2004 £	2003 £	2004 £	2003 £
Trade debtors	74,750	82,924	4,750	674
Other debtors	61,150	-	61,150	3,130
Prepayments and accrued income	32,632	20,114	28,011	20,114
Tax and social security	23,233	-	24,029	-
Amount due from subsidiary	-	-	-	-
	<u>£191,765</u>	<u>£103,038</u>	<u>£117,940</u>	<u>£23,918</u>
11. CREDITORS: amounts falling due within one year	Group		Charity	
	2004 £	2003 £	2004 £	2003 £
Fees in advance	105,333	108,905	4,875	-
Loan	510,000	-	510,000	-
Trade creditors and accruals	193,259	111,388	190,726	103,394
Sponsorship in advance	45,000	-	45,000	-
Other taxes and social security	10,982	9,499	10,982	6,881
Amount due to subsidiary	-	-	2,543	14,948
	<u>£864,574</u>	<u>£229,792</u>	<u>£764,126</u>	<u>£125,223</u>
12. CREDITORS: Amounts falling due after more than one year				
Loan	<u>£2,940,000</u>	<u>£2,550,000</u>	<u>£2,940,000</u>	<u>£2,550,000</u>

The loans are repayable in the following period.

	£	£
Within one year	510,000	-
Within 1 to 2 years	510,000	510,000
Within 2 to 5 years	-	-
Over 5 years.	2,430,000	2,040,000
	<u>£3,450,000</u>	<u>£2,550,000</u>

The loan balance due within one to two years has been accounted for in accordance with a clause which entitles the charity to an option to extend the repayment date until December 2005. Post year end the charity obtained agreement to the extension for this loan amounting to £510,000. Repayment was extended by 12 months to December 2005 and is reflected above as due within 1 to 2 years.

ASIA HOUSE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30TH JUNE 2004

13. RESTRICTED FUND

The funds of the charity include a restricted fund comprising the following unexpended balances of donations held on trust to be applied for a specific purpose:

	1st July 2003 £	Incoming Resources £	Resources Expended £	30th June 2004 £
Asia House Redevelopment Fund	709,161	-	(50,812)	658,349
Yan Kit So Memorial Lecture	(1,140)	11,658	(4,936)	5,582
Heritage Lottery Fund (Wellcome)	-	24,750	(10,900)	13,850
	<u>£708,021</u>	<u>£36,408</u>	<u>£(66,648)</u>	<u>£677,781</u>

The Asia House Redevelopment Fund - represents monies received towards the refurbishment and redevelopment of 63 New Cavendish Street. £510,000 is held in cash deposits which is to be used to repay the loan in 1 year. During the year £50,812 was repaid to an original donor for monies received to construct a Japanese Garden which will not now happen under the more limited scheme of development. The remainder represents monies received and expended on the refurbishment of 63 NCS as disclosed in note 14.

Yan Kit So Memorial Lecture - These were restricted fund donations towards the costs of holding a memorial lecture in memory of Yan Kit So and for future funding of activities relating to the newly initiated food programme. Further amounts were received post year-end in excess of the balance carried forward.

Heritage Lottery Fund - (Wellcome) - This fund represents monies received for an Education Programme planned from April 2004 for one year to be run in conjunction with a major exhibition from October to December 2004.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Fund £	Restricted Fund £	Total 2004 £
Fund balances at 30th June 2004 are represented by:			
Fixed assets	3,329,658	-	3,329,658
Current assets	597,010	677,781	1,274,791
Creditors: amounts falling due within one year	(864,574)	-	(864,574)
Creditors: amounts falling due after one year	(2,940,000)	-	(2,940,000)
Total net assets	<u>£122,094</u>	<u>£677,781</u>	<u>£799,875</u>

15. TAXATION

Asia House is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

16. LIABILITY OF MEMBERS

Asia House is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1.

17. CAPITAL COMMITMENT

At the year end the charity had authorised but not contracted for development work contracts totalling £1,770,975.

ASIA HOUSE

DETAILED INCOME AND EXPENDITURE ACCOUNT – UNRESTRICTED FUNDS

FOR THE YEAR ENDED 30TH JUNE 2004

	2004		2003	
	£	£	£	£
INCOME				
Cultural and patrons events		155,312		51,404
Cultural and patron membership		35,308		16,001
Donations and fundraising dinner		11,660		69,445
Sponsorship income		10,955		-
UK Korea Forum		2,500		12,500
UK India Round Table		-		7,376
British Malaysian Society		6,661		9,616
Pakistan-Britain Trade Investment Forum		5,250		922
UK Japan Group		9,990		7,523
Miscellaneous income		601		5,968
Interest receivable		39,450		24,274
Deed of Covenant		180,993		153,221
		<u>458,680</u>		<u>358,250</u>
EXPENDITURE				
Cultural events		93,130		88,888
Staff costs:				
Consultancy	-		-	
Salaries, NI and pensions	327,176		231,252	
	<u>327,176</u>		<u>231,252</u>	
Accommodation expenses:				
Rent and rates	50,889		55,225	
Office services	9,530		5,194	
63 New Cavendish Street	15,232		13,787	
	<u>75,651</u>		<u>74,206</u>	
Office and other expenses:				
Postage and delivery	9,743		6,644	
Printing and stationery	21,365		7,473	
Telephone and fax	7,466		6,340	
Travelling expenses	7,278		4,073	
Entertainment	5,943		3,268	
Lawyers fees	10,988		5,370	
Other professional fees	22,691		20,250	
Audit and accountancy	2,500		2,950	
Bank interest and charges	1,000		999	
Books and subscriptions	1,459		690	
Insurance	4,286		4,862	
Repairs and maintenance to equipment	7,254		3,339	
Sundry expenses	6,778		9,197	
Depreciation of equipment	4,282		1,398	
Equipment rental	1,361		657	
Donations	580		60	
	<u>114,344</u>		<u>77,570</u>	
	<u>610,301</u>		<u>471,916</u>	
LOSS FOR THE YEAR		<u>£(151,621)</u>		<u>£(116,666)</u>