

Company Registration No. 1215037 (England and Wales)
Registered charity number: 801026

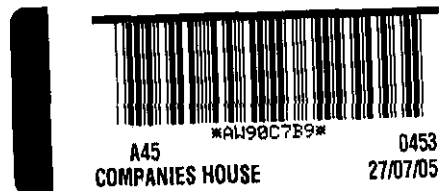
THE ARAB-BRITISH CENTRE LIMITED

DIRECTORS' AND TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

CHANTER, BROWNE & CURRY

Chartered Accountants
1 Plato Place
72 - 74 St Dionis Road
London SW6 4TU.



THE ARAB-BRITISH CENTRE LIMITED

COMPANY INFORMATION

Directors and trustees

Mr William Fullerton C.M.G.
Rt. Hon. Sir Peter Lloyd
Sir James Craig G.C.M.G.
Mr Brian Constant C.B.E.
Mr Jamil Yousif Bullata F.C.A.
Mr Wadih Hanna
Mr Timothy Llewellyn
Mrs Annabel Kealy
Sir Mark Lennox-Boyd
Mr Nick St Aubyn

Secretary

Maria Reyes Menes-Vazquez

Company number

1215037

Registered charity number

801026

Registered office

1 Gough Square
London
EC4A 3DE.

Auditors

Chanter, Browne & Curry
1 Plato Place
72-74 St Dionis Road
London
SW6 4TU

Bankers

Abbey National Business
P.O. Box 126
Newport
Gwent
NP9 4UP

Solicitors

Withers
16 Old Bailey
London
EC4M 7EG

THE ARAB-BRITISH CENTRE LIMITED

CONTENTS

	<u>Page</u>
Report of the trustees and directors	1 - 2
Independent auditors' report	3
Statement of financial activities	4
Balance sheet	5
Notes to the financial statements	6 - 9

THE ARAB-BRITISH CENTRE LIMITED

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2004**

The trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report and the audited financial statements for the year ended 31 December 2004. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000, in preparing the annual report and financial statements of the charity.

Objects of the charity, principal activities and organisation of our work

The charity is constituted as a company limited by guarantee, and is therefore governed by a memorandum and articles of association.

The charity's object and its principal activity continues to be the promotion of friendship and understanding between the people of the United Kingdom and the Arab world.

The charity is organised so that the trustees meet regularly to manage its affairs. A number of organisations, having objects similar to those of The Arab-British Centre Limited, occupy part of the premises owned by the charity and they contribute to the costs related to the office space and the facilities they use.

Transactions and financial position

The Statement of Financial Activities shows a deficit for the year of £68,581. Our reserves stand at £3,290,934.

Development, activities, achievements this year and future developments.

The charity sold its freehold land and buildings in September 2002 for £3.527 million and purchased a new premises for £1 million to provide funds to ensure its survival for the foreseeable future.

Directors and trustees

All the directors of the company are also trustees of the charity and there are no other trustees. The Board has the power to appoint additional trustees as it thinks fit to do so.

The following trustees held office during 2004:

Mr William Fullerton C.M.G. (Chairman)

Rt. Hon. Sir Peter Lloyd

Mr Wadih Hanna (resigned 24 February 2004; re-appointed 23 February 2005)

Sir James Craig G.C.M.G.

Mr Brian Constant C.B.E.

Mr Jamil Yousif Bullata F.C.A. (Honorary Treasurer)

Mrs Abir Dajani Tuqan (resigned 23 February 2005)

Mr Neil Gerrard M.P. (resigned 20 April 2005)

Mr Timothy Llewellyn

Investment policy and returns

Under the memorandum and articles of association, the charity has the power to make any investment which the trustees see fit. The trustees have considered the most appropriate policy for investing funds and have found that Treasury deposits meet their requirements. The trustees consider the returns on investments to be satisfactory.

THE ARAB-BRITISH CENTRE LIMITED

REPORT OF THE TRUSTEES (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2004**

Reserves

As explained above, the charity sold its freehold property in September 2002 and purchased a new property. The net saving will provide funds adequate to ensure the charity's survival for the foreseeable future.

Risk management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

Trustees' responsibilities in relation to the financial statements

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of the year. 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 the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution proposing that Chanter, Browne & Curry be re-appointed as the charity's auditors, will be put to the Annual General Meeting.

This report was approved by the board of directors and trustees on 13 July 2005 and signed on its behalf.


.....
Mr William Fullerton C.M.G.

Trustee and Chairman

THE ARAB-BRITISH CENTRE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE ARAB-BRITISH CENTRE LIMITED

We have audited the financial statements of The Arab-British Centre Limited for the year ended 31 December 2004 set out on pages 4 to 9. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 6.

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 the trustees and auditors

As described on page 2 the charity's trustees, who are also the directors of The Arab-British Centre Limited for the purposes of company law, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Report of the Trustees 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 company is not disclosed.

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

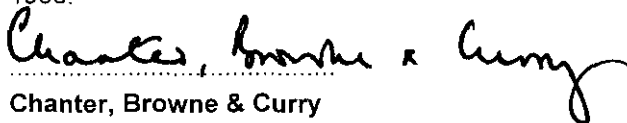
Basis of audit opinion

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 charity'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 affairs as at 31 December 2004 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Chanter, Browne & Curry

Chartered Accountants

Registered Auditor

1 Plato Place
72-74 St Dionis Road
London
SW6 4TU

13 July 2005

THE ARAB-BRITISH CENTRE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES **FOR THE YEAR ENDED 31 DECEMBER 2004**

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	<u>Notes</u>	<u>2004</u> <u>£</u>	<u>2003</u> <u>£</u>
		<u>Unrestricted funds</u>	
INCOMING RESOURCES			
Contributions receivable	2	26,485	35,927
Bank interest		90,077	79,261
Other income		5,000	-
Total income		<u>121,562</u>	<u>115,188</u>
RESOURCES EXPENDED			
Charitable expenditure			
Cost of operation of Centre	3	187,529	184,058
Management and administration	3	2,614	2,526
Total expenditure		<u>190,143</u>	<u>186,584</u>
NET SURPLUS/(DEFICIT) FOR THE YEAR		(68,581)	(71,396)
General fund at 1 January 2004		<u>3,359,515</u>	<u>3,430,911</u>
General fund at 31 December 2004	9	3,290,934	3,359,515

There are no recognised gains and losses other than those passing through the statement of financial activities.

The notes on pages 6 to 9 form part of these accounts.

THE ARAB-BRITISH CENTRE LIMITED

BALANCE SHEET **AS AT 31 DECEMBER 2004**

		<u>2004</u>		<u>2003</u>	
	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Fixed assets					
Tangible assets	5		1,193,609		1,247,761
Current assets					
Debtors	6	9,799		21,444	
Cash at bank and in hand		2,095,625		2,106,484	
		<u>2,105,424</u>		<u>2,127,928</u>	
Creditors: amounts falling due within one year	7	<u>(8,099)</u>		<u>(16,174)</u>	
Net current assets			<u>2,097,325</u>		<u>2,111,754</u>
Total assets less current liabilities			<u><u>3,290,934</u></u>		<u><u>3,359,515</u></u>
Funds					
General fund	8		<u><u>3,290,934</u></u>		<u><u>3,359,515</u></u>

The financial statements were approved by the board of directors and trustees on 13 July 2005.


.....
Mr William Fullerton C.M.G.
Chairman


.....
Mr Jamil Yousif Bullata F.C.A.
Honorary Treasurer

The notes on pages 6 to 9 form part of these accounts.

THE ARAB-BRITISH CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2004**

1 Accounting policies

1.1 Basis of preparation of accounts

The financial statements are prepared under the historical cost convention and in accordance with the *Statement of Recommended Practice, "Accounting and Reporting by Charities"* (SORP 2000) issued in October 2000, SORP Update Bulletin 1 issued in December 2002, applicable accounting standards and the Companies Act 1985.

1.2 Incoming resources

Voluntary income and donations are recorded as income of the period in which they are received except where the donor specifies that the donation should be used for a future period.

1.3 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost on a straight line basis over the expected useful lives, as follows:

Freehold building	25 years (previously 50 years)
Fixtures and fittings	5 years
Computers	3 years

2 Contributions receivable

A number of organisations occupy part of the premises owned by the company and they contribute to the costs related to the office space and facilities they use.

THE ARAB-BRITISH CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2004**

3 Total resources expended

	<u>2004</u> £	<u>2003</u> £
Cost of operation of the Centre		
Depreciation	65,100	62,910
Repairs and maintenance	20,233	1,007
Staff costs		
- wages and salaries	40,168	36,623
- social security costs	3,415	2,734
- ex gratia payment to employee	-	8,898
Office and other costs	58,613	71,886
	<u>187,529</u>	<u>184,058</u>
Management and administration		
Auditors' remuneration	<u>2,614</u>	<u>2,526</u>

None of the trustees (nor any persons connected with them) received any remuneration during the year.
The average number of employees during the year was 2 (2003: 2).

No expenses were reimbursed to the trustees during the year.

4 Taxation

On 17 February 1989, the Centre was accorded charitable status and hence is not liable to Corporation Tax.

THE ARAB-BRITISH CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2004**

5 Tangible fixed assets

	<u>Freehold land and buildings</u>	<u>Fixtures and fittings</u>	<u>Computers</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cost				
At 1 January 2004	1,258,630	56,910	8,773	1,324,313
Additions	-	10,949	-	10,949
At 31 December 2004	1,258,630	67,859	8,773	1,335,262
Depreciation				
At 1 January 2004	56,615	13,532	6,406	76,553
Charge for the year	50,345	13,572	1,183	65,100
At 31 December 2004	106,960	27,104	7,589	141,653
Net book value				
At 31 December 2004	1,151,670	40,755	1,184	1,193,609
At 31 December 2003	1,202,016	43,378	2,367	1,247,761

6 Debtors	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Contributions receivable	9,799	14,853
Prepayments and accrued income	-	6,591
	<u>9,799</u>	<u>21,444</u>

7 Creditors: amounts falling due within one year	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Trade creditors	5,880	12,651
Taxation and social security	(395)	997
Accruals	2,614	2,526
	<u>8,099</u>	<u>16,174</u>

8 General fund

The company has a single general, unrestricted, income fund. The company is limited by guarantee and has no share capital. In the event of the company being wound up, each member may be required to contribute a maximum sum of £1 to the company.

THE ARAB-BRITISH CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2004**

9 Statement of funds

Unrestricted funds	<u>General reserve</u> £
Balance at 1 January 2004	3,359,515
Income	121,562
	<u>3,481,077</u>
Expenditure	(190,143)
Balance at 31 December 2004	<u><u>3,290,934</u></u>

10 Analysis of net assets between the funds

	<u>Unrestricted General Fund</u> £
Tangible fixed assets	1,193,609
Net current assets	2,097,325
	<u><u>3,290,934</u></u>