

Company Registration No. 01215037 (England and Wales)  
Registered charity number: 801026

**THE ARAB BRITISH CENTRE**

**DIRECTORS' AND TRUSTEES' REPORT**  
**AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**CHANTER, BROWNE & CURRY**

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

TUESDAY



\*A7E9Z700\*

A08

11/09/2018

#203

COMPANIES HOUSE

# **THE ARAB BRITISH CENTRE**

## **CONTENTS**

---

	<b><u>Page</u></b>
Report of the trustees and directors	1 - 7
Report of the independent auditors	8 - 10
Statement of financial activities	11
Balance sheet	12
Notes to the financial statements	13 - 19

# **THE ARAB BRITISH CENTRE**

## **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 DECEMBER 2017**

---

The trustees who are also directors of the charity for the purposes of the Companies Act, present their report and the financial statements for the year ended 31 December 2017 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charity SORP (FRS 102) Revised).

### **Objectives and Activities**

The charity's objects are to advance the education of the British public in the culture, art, science, religion, economy and contemporary history of the Arab world including by providing and maintaining a centre (hereafter referred to as "The Centre") for the dissemination of such information.

The charity owns and maintains a six-storey property at 1 Gough Square, off Fleet Street in central London, which houses The Centre. A number of organisations having objects similar to the The Arab British Centre are housed at The Centre, and contribute towards the costs related to the office space they occupy and the facilities they use.

The Arab British Centre has a specialised library - mainly in English - about the history, politics, arts and culture of the Arab World. The library has been compiled over many years and includes an extensive collection of Arabic fiction titles in English Translation as well as essential out of print books rarely available elsewhere. The library is a public borrowing library.

The charity organises and promotes Arab-related arts and cultural events in the UK. It hosts a regular programme of activities including Arabic language courses, Arabic calligraphy and oud music courses. The Centre houses permanent and temporary collections of contemporary art inspired by the Arab world and recognises individuals and organisations working in similar fields through its Award for Culture. In addition to the charity's regular on-site activities, it has produced a number of one-off projects in external locations and supports other organisations through its grants programme.

In planning its activities for the year, the charity's trustees have considered the Charity Commission's general guidance on public benefit.

### **Achievements and Performance**

In 2017 The Arab British Centre celebrated its fortieth anniversary and projects and programmes focussed on this milestone.

In January The Arab British Centre hosted an exhibition of antique Libyan silver jewellery and vintage photographs from Libya, organised by Noon Arts and curated by Najlaa El-Ageli and Hala Ghellali.

## **THE ARAB BRITISH CENTRE**

### **REPORT OF THE TRUSTEES (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2017**

---

#### **Achievements and Performance (continued)**

In February, the Centre's Chairman, Sir Derek Plumbly KCMG, and the Executive Director, Nadia El Sebai participated in 'Making Impact through Philanthropy' event and panel discussion at the British Embassy in Abu Dhabi, UAE. During the visit to the UAE, Derek and Nadia met with HE Sheikh Nahyan, then UAE Minister of Culture, to discuss the achievements of the Centre over the last 40 years and the legacy of one of its founding funders, H.H. Zayed bin Sultan Al Nahyan, first President of the United Arab Emirates. The remainder of the visit included meetings in Dubai and Abu Dhabi with officials from Emirati cultural organisations and Trusts and Foundations.

March 2017 was a busy month at The Arab British Centre. The Centre hosted the 'Al Mutanabbi Street Literary Salon' in partnership with Banipal Magazine to commemorate the 10<sup>th</sup> Anniversary of Al Mutanabbi Street bombing, Baghdad's historic bookselling club. From 6-10 March the Centre hosted 'Audiovisability: The Magic of the East' an exhibition curated by Deaf flutist Ruth Montgomery that draws together music and deafness through the individual experiences of a number of hearing and Deaf artists including Sudanese artist Omeima Mudawi-Rowlings and British/Syrian pianist and composer Waseem Kotoub.

As well as these events, the Centre collaborated with the third edition of the Arab Women Artists Now Festival (AWAN) to present a series of capacity building workshops during the festival. These workshops focussed on workshops on Music Law and International Art and Cultural Property as well as a lecture by curator Rose Issa on curatorial practice.

In May the Arab British Centre launched its new website which took months of preparation and hard work from all of the team. The new site is more user friendly and focusses on interactive tools so people can engage with the organisation more easily. Users can now submit their events to the 'What's On' section, apply for grants and awards when available, and locate content and resources (such as the library catalogue or course bookings) with ease. The branding of the Centre was also refreshed, with the existing logo and brand identity made orange instead of green.

In June the Centre took part once again in Refugee Week (19-25 June 2017), and hosted the second edition of our 'Welcome Literary Salon' in partnership with Banipal. The evening event looked at how literature is dealing with the biggest enforced movement of people ever recorded. The event included an exhibition of Syrian artists (organised by Litehouse Gallery), talks, readings and performance by special guests including Carles Torner, PEN International Executive Director, British Palestinian writer Selma Dabbagh, Palestinian writer and playwright Ahmed Masoud among others .

In June The Arab British Centre's flagship project 'SAFAR' toured to Michigan, USA! An exhibition of film memorabilia called 'SAFAR: A Journey Through Popular Arab Cinema', which was part of the 2014 edition of the SAFAR Film Festival, travelled to the Arab American Museum in Dearborn. The exhibition was warmly received and was displayed at the museum from June – September 2018.

SAFAR travelled to the Liverpool Arab Arts Festival (LAAF) in July with the screening of multi award-winning Tunisian film 'As I open my Eyes' directed by Leyla Bouzid. The screening was followed by a Q&A with Arab British Centre trustee and filmmaker Saeed Taji Farouky who talked about the founding of SAFAR Film Festival and its evolution through its three editions.

## **THE ARAB BRITISH CENTRE**

### **REPORT OF THE TRUSTEES (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2017**

---

#### **Achievements and Performance (continued)**

The largest event of the year was the Arab British Centre's 40<sup>th</sup> anniversary celebration which took place at the Mayor of London's Office at City Hall. The event was supported by Emirates National Bank of Dubai, St Edward Homes and the British Council. The event was attended by over 250 guests, including David Owen, Secretary of State for Foreign and Commonwealth Affairs at the time of the opening of the Centre, Arab and British Ambassadors, partner organisations and friends. Sir Derek Plumbly, Sulaiman Hamid Almazroui, UAE Ambassador to the UK, Martin Hope, Deputy Director Middle East North Africa for the British Council and Nadia El-Sebai, gave speeches.

During the 40<sup>th</sup> anniversary celebration event, the winners of the biennial Arab British Centre Award for Culture were announced. The open call for nominations ran from May – July and over 80 applications were reviewed from organisations and individuals whose work furthers understanding of the Arab world in the United Kingdom. The British Council supported the 2017 Award for Culture and offered winners a £1000 professional development travel grant to the MENA region for networking and partnership building opportunities.

The Arab British Centre Award for Culture was granted to Irish-Palestinian playwright Hannah Khalil in the category for individuals. Khalil was commended for her plays such as *Plan D*, *The Deportation Room*, and *Scenes from 68\* Years*, that have served to educate British audiences about the reality of life in Palestine. Arts Canteen also received an award in the category for organisations and were commended for their prolific programme of music, visual arts and comedy, creating an artistic community and giving a platform to emerging and underground artists from the Arab world in the UK.

In September, The Arab British Centre supported *Pop Art from North Africa*, an exhibition curated by Najlaa El-Ageli and Toufik Douib at the P21 Gallery in London showcasing works of sixteen artists from North Africa inspired by the pop art form. The exhibition included an insightful wrap-around programme including artists & curator talks as well as workshops reflecting on identity, popular culture and the rise of the Pop Art scene in North Africa.

The year ended with a book launch of: *In Search of a Prophet. A spiritual journey with Kahlil Gibran*, written by Reverend Paul-Gordon Chandler, who gave a fascinating talk at the Arab British Centre on Gibran's life journey.

The Arab British Centre grant scheme supported nine projects throughout the year, including: Don't Panic, I'm Islamic by Saqi Books, Audiovisability: The Unheard World by Ruth Montgomery, International Translation Day, by Freeword Centre, Hummus by Opera Lab Europe, And Here I Am by Developing Artists, Nai Barghouti and Mohamed Najem 2017 UK Tour by Nini Productions, Bristol Palestine Film Festival. and The Heat of the Battle, Wrexham Museum.

The Arab British Centre continued to run courses at its premises throughout 2017. New courses were introduced, such as *Darbuka* with the Taqasim School of Music and *History of Islamic Carpets* and *Islamic Art in the Mediterranean* with course tutor Roberta Marin.

#### **Financial Review**

The attached financial statements summarise the charity's transactions for the year ended 31 December 2017. Total funds for the year show an excess of income over expenditure of £106,264. This was offset by a loss on the revaluation of investments of £64,107, resulting in a net surplus for the year of £42,157. Total funds at 31 December 2017 amounted to £2,803,994, comprising £11,391 unrestricted income funds, and £2,792,603 endowment funds.

# **THE ARAB BRITISH CENTRE**

## **REPORT OF THE TRUSTEES (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2017**

---

### **Financial Review (continued)**

#### **Principal funding sources**

The charity's principal sources of funding are:-

- (1) Charges for classes run by the charity;
- (2) Contributions from resident organisations to the running costs of the Arab British Centre;
- (3) Sponsorship and donations;
- (4) Income from endowment funds and bank balances, including bank interest, dividends and interest on investments;
- (5) Capital growth in investments.

#### **Investment policy**

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. The charity has investments with Investec Wealth & Investment. The remainder of the charity's funds are held on bank deposit. The performance of the investments during the year has been satisfactory.

#### **Reserves policy**

Transfers from expendable endowment fund are made, usually on a quarterly basis, to income funds. The trustees aim to hold sufficient income funds to cover budgeted expenditure for the forthcoming quarter.

The trustees have agreed that any transfers to income funds must not reduce the value of the investment funds to below £1.6 million. This should ensure that the investment funds can produce an adequate annual income to cover the operating costs of The Centre, and ensure the long-term survival of the charity.

As noted below, the charity is hoping to build on its success in increasing the range of events and other activities with which it is involved. The charity's policy is to organise events and activities which meet the following criteria:-

- (1) Their direct costs are fully or substantially paid for out of sponsorship, donations or receipts; and
- (2) A risk assessment is carried out to ensure that any anticipated deficit on the event or activity is fully affordable out of the income fund.

#### **Plans for future periods**

The charity plans to continue the activities outlined above in the forthcoming years. In particular, the trustees hope to significantly increase the number of lectures, talks, art displays and artistic performances that the charity will organise.

# **THE ARAB BRITISH CENTRE**

## **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 DECEMBER 2017**

---

### **Reference and administrative details**

Registered charity number	801026
Company number	1215037
Registered office and principal place of business	1 Gough Square London EC4A 3DE.

### **Our advisers**

<b>Auditors</b>	Chanter, Browne & Curry Chartered Accountants 1 Plato Place 72-74 St Dionis Road London SW6 4TU.
<b>Bankers</b>	Santander Business Banking Centre Clarence House, Clarence Place Newport, Gwent NP19 7UP.
<b>Solicitors</b>	Russell-Cooke LLP 2 Putney Hill London SW15 6AB.
<b>Investment fund managers</b>	Investec Wealth & Investment Limited

### **Directors and trustees**

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Sir Derek Plumbly KCMG (Chairman)  
Mr Maytham Akbar  
Mr Brian Constant C.B.E. (Honorary Treasurer)  
Ms Laila El Baradei  
Mr Saeed Taji Farouky  
Ms Randa Adel Achmawi  
Mr Haroun Al-Mishwit  
Mrs Elizabeth Moriarty

### **Company Secretary**

Mrs Nadia El-Sebai

# **THE ARAB BRITISH CENTRE**

## **REPORT OF THE TRUSTEES (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2017**

---

### **Structure, Governance and Management**

#### **Governing document**

The Arab British Centre is a charitable company limited by guarantee, incorporated on 5 June 1975 and registered as a charity on 17 February 1989. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. By a written resolution dated 28 June 2011, the trustees adopted new Articles of Association in order to reflect current legislation including the Companies Act 2006. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

#### **Recruitment and appointment of the Council**

The directors of the company are also charity trustees for the purpose of charity law and under the company's Articles are known as members of the Council. Under the requirements of the Articles of Association, the first board meeting of each calendar year shall be known as the retirement board meeting. At the third retirement board meeting since their last appointment, a trustee shall retire. They shall be eligible for re-appointment if they have served less than six years in office. A trustee who has served six or more years in office at the relevant retirement board meeting must retire and cannot be re-appointed until they have had a period of at least two years out of office, unless on the recommendation of the majority of the board the trustee is re-appointed for one further consecutive term of duration to be determined by the trustees.

Unless otherwise determined by a General Meeting, the number of the members of the Council shall not be less than five nor more than twelve. Currently the only members of the charity are the members of the Council.

The Council seeks to ensure that only persons with an interest and knowledge of the Arab world are appointed as trustees. Extensive measures are in place to ensure that only trustworthy persons are appointed. These include taking up references and carrying out due diligence checks.

#### **Trustee induction**

The trustees receive documents relating to the rules and obligations of trustees as set out by the Charity Commission.

#### **Organisational structure**

The Arab British Centre has a Council of between 5 and 12 members who meet six times per year and are responsible for the strategic direction and policy of the charity. At present the Council has eight members from a variety of backgrounds relevant to the work of the charity.

#### **Risk management**

The trustees actively review the major risks which the charity faces on a regular basis, especially now that the charity is seeking to expand its range of activities. The trustees believe that by ensuring that the investment funds are restricted to expenditure on the charity's core function of operating and maintaining The Centre, in line with the wishes of the original fund donors, adequate resources will be available to secure the charity's long term survival.

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.



# **THE ARAB BRITISH CENTRE**

## **REPORT OF THE TRUSTEES (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2017**

---

### **Responsibilities of the Council**

Company law requires the Council to prepare financial statements for each financial year. Under that law the Council have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Council must not approve the financial statements unless the trustees are satisfied that the financial statements 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 these financial statements, the Council 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 charity will continue in operation.

The Council is responsible for keeping adequate 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 2006.

The Council is 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.

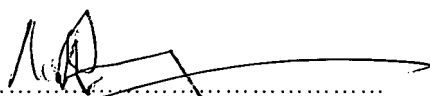
### **Auditors**

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

### **Statement of Disclosure of Information to Auditors**

As far as each of the trustees are aware, there is no relevant audit information of which the charity's auditors are unaware, and each trustee has taken all the steps that ought to have been taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This report was approved by the board of directors and trustees on 21 August 2018 and is signed on its behalf.

  
.....  
Sir Derek Plumbly KCMG  
Chairman

# **THE ARAB BRITISH CENTRE**

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ARAB BRITISH CENTRE**

---

### **Opinion**

We have audited the financial statements of The Arab British Centre ("the charitable company") for the year ended 31 December 2017 set out on pages 11 to 19. The financial framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards for Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 15 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated on our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact.

We have nothing to report in this regard.

# **THE ARAB BRITISH CENTRE**

## **REPORT OF THE INDEPENDENT AUDITORS** **TO THE MEMBERS OF THE ARAB BRITISH CENTRE (CONTINUED)**

---

### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

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

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

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

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

### **Responsibilities of directors**

As explained more fully in the Statement Responsibilities of the Council set out on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

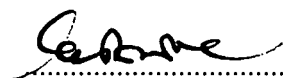
## **THE ARAB BRITISH CENTRE**

### **REPORT OF THE INDEPENDENT AUDITORS** **TO THE MEMBERS OF THE ARAB BRITISH CENTRE (CONTINUED)**

---

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
**Peter Browne (Senior Statutory Auditor)**  
**for and on behalf of Chanter, Browne & Curry**  
**Chartered Accountants**  
**Statutory Auditor**

21 August 2018

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

# THE ARAB BRITISH CENTRE

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017

### SUMMARY INCOME AND EXPENDITURE ACCOUNT

		2017		2016
	Notes	Unrestricted income funds	Endowment funds	Total funds
		£	£	£
<b>INCOME</b>	1.3			
Donations	2	21,280	-	21,280
Charitable activities	3	104,806	-	104,806
Investments	4	23	29,441	29,464
<b>Total incoming resources</b>		<b>126,109</b>	<b>29,441</b>	<b>155,550</b>
<b>EXPENDITURE</b>	1.4			
<b>Raising funds</b>				
Investment management costs	5	-	18,407	18,407
<b>Charitable activities</b>	5	284,592	6,443	291,035
<b>Total expenditure</b>		<b>284,592</b>	<b>24,850</b>	<b>309,442</b>
Gains/(losses) on sale of investments		-	260,156	260,156
<b>Net income/(expenditure)</b>		<b>(158,483)</b>	<b>264,747</b>	<b>106,264</b>
<b>TRANSFERS</b>				
Gross transfers between funds	7	110,000	(110,000)	-
		(48,483)	154,747	106,264
<b>OTHER RECOGNISED GAINS/ (LOSSES)</b>				
Gains/(losses) on revaluation of investments	9	-	(64,107)	(64,107)
Net movement in funds for the year		(48,483)	90,640	42,157
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward		59,874	2,701,963	2,761,837
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>11,391</b>	<b>2,792,603</b>	<b>2,803,994</b>

The Statement of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

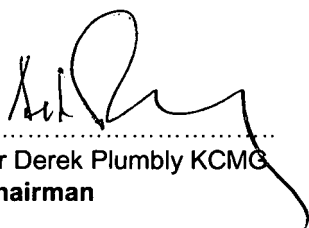
# THE ARAB BRITISH CENTRE

## BALANCE SHEET AT 31 DECEMBER 2017

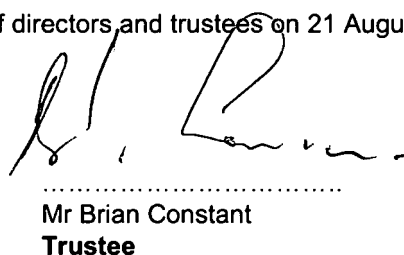
		2017			2016
	Notes	Unrestricted income funds	Endowment funds	Total funds	Total funds
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8	2,753	877,797	880,550	891,979
Investments	9	-	1,776,675	1,776,675	1,796,231
		2,753	2,654,472	2,657,225	2,688,210
<b>Current assets</b>					
Debtors	10	2,377	-	2,377	7,103
Cash at bank and in hand		27,054	138,131	165,185	86,124
		29,431	138,131	167,562	93,227
<b>Creditors: amounts falling due within one year</b>	11	20,793	-	20,793	19,600
<b>Net current assets</b>		8,638	138,131	146,769	73,627
<b>Net assets</b>		11,391	2,792,603	2,803,994	2,761,837
<b>Funds of the charity</b>					
Endowment funds	12, 13			2,792,603	2,701,963
Unrestricted income funds	12, 13			11,391	59,874
<b>Total charity funds</b>				2,803,994	2,761,837

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

The financial statements were approved by the board of directors and trustees on 21 August 2018.



.....  
Sir Derek Plumbly KCMG  
Chairman



.....  
Mr Brian Constant  
Trustee

Company Registration Number: 01215037

# **THE ARAB BRITISH CENTRE**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2017**

---

### **1 Accounting policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year, except where noted.

#### **1.1 Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - Charity SORP (FRS 102) Revised, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of listed investments.

#### **1.2 Fund accounting**

The company has two separate funds:-

(1) An expendable endowment represented by the freehold land and property and investment funds. Transfers from this fund to income funds can be made at the discretion of the trustees.

(2) General unrestricted income fund available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

#### **1.3 Incoming resources**

These are included in the Statement of Financial Activities when:-

- the charity becomes entitled to the resources;
- the trustees are virtually certain they will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Donations are recorded as income in the accounting period in which they are received, except where the donor specifies that they should be used for a specific period.

Investment income is included in the financial statements when receivable.

#### **1.4 Resources expended**

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

Costs of generating funds comprise the investment funds management charges.

Governance costs represents auditors' remuneration.

All other expenditure is included under charitable expenditure. It comprises the cost of operating The Centre.

# **THE ARAB BRITISH CENTRE**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2017**

---

### **1.5 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	- 100 years
Fixtures and fittings	- 5 years
Computers	- 3 years

No depreciation is provided on freehold land.

### **1.6 Investments**

Fixed asset investments are revalued at mid-market value at the balance sheet date and the gain or loss on revaluation is taken to the Statement of Financial Activities.

### **1.7 Debtors**

Debtors are recognised at the settlement amount due after any discount offered.

### **1.8 Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.



# **THE ARAB BRITISH CENTRE**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2017**

### **2 Donations received**

	<b>2017</b>			<b>2016</b>
	<u>Unrestricted income funds</u>	<u>Endowment funds</u>	<u>Total funds</u>	<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Donations received	21,280	-	21,280	16,972

### **3 Income from charitable activities**

	<b>2017</b>			<b>2016</b>
	<u>Unrestricted income funds</u>	<u>Endowment funds</u>	<u>Total funds</u>	<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Contributions from users	62,992	-	62,992	59,564
Income from Arabic calligraphy classes	3,898	-	3,898	4,110
Income from Arabic classes	9,480	-	9,480	6,981
Income from music classes	25,946	-	25,946	15,806
Income from Islamic Art and Architecture classes	2,390	-	2,390	4,637
Income from events and functions	-	-	-	54,661
Hire of boardroom	100	-	100	156
Library memberships	-	-	-	20
	<u>104,806</u>	<u>-</u>	<u>104,806</u>	<u>145,935</u>

A number of organisations with similar objects to the charity, occupy the majority of the charity's property, and their presence is financially underwritten by the charity. The organisations contribute towards the costs related to the office space and facilities which they use.

### **4 Investment income**

	<b>2017</b>			<b>2016</b>
	<u>Unrestricted income funds</u>	<u>Endowment funds</u>	<u>Total funds</u>	<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank interest received	23	-	23	134
Dividends received from listed investments:-				
- UK investments	-	23,628	23,628	25,435
- overseas investments	-	5,813	5,813	5,718
Interest received from UK listed investments	-	-	-	181
	<u>23</u>	<u>29,441</u>	<u>29,464</u>	<u>31,468</u>

# THE ARAB BRITISH CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 5 Expenditure on charitable activities

	2017			2016
	<u>Unrestricted income funds</u>	<u>Endowment funds</u>	<u>Total funds</u>	<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>Costs of raising funds</b>				
Investment management costs	-	18,407	18,407	17,354
<b>Charitable activities</b>				
Cost of operation of the Centre:-				
Depreciation	4,986	6,443	11,429	11,744
Repairs and maintenance	41,482	-	41,482	32,484
Staff costs:-				
- gross wages and salaries	104,500	-	104,500	100,650
- employers' NICs	8,094	-	8,094	7,531
- pension contributions	6,520	-	6,520	6,000
Ex gratia payment	-	-	-	9,000
Office and other costs	55,214	-	55,214	51,028
Sponsorship grants	4,100	-	4,100	4,000
Events, festivals and functions	55,196	-	55,196	97,840
	280,092	6,443	286,535	320,277
<b>Governance costs</b>				
Auditors' remuneration	4,500	-	4,500	4,320
	284,592	6,443	291,035	324,597

No trustees received any remuneration. No trustees were reimbursed for expenses during the year.

No employee was paid more than £60,000 in the year. The average number of employees during the year was 3 (2016: 3).

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension contributions charge represents contributions payable by the company to the fund.

The company makes modest grants each year to a number of arts and cultural projects delivered in the United Kingdom with the aim of improving the British public's understanding of the Arab world.

### 6 Taxation

As a charity, The Arab British Centre is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the two years ended 31 December 2017.

# THE ARAB BRITISH CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 7 Transfers between funds

	<u>Unrestricted income funds</u>	<u>2017 Endowment funds</u>	<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Net transfers from investment funds to cover costs of operation of The Centre	110,000	(110,000)	-

### 8 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>
<b>Cost</b>				
At 1 January 2017	1,288,633	11,721	9,030	1,309,384
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2017	<u>1,288,633</u>	<u>11,721</u>	<u>9,030</u>	<u>1,309,384</u>
<b>Depreciation</b>				
At 1 January 2017	404,393	6,889	6,123	417,405
On disposals	-	-	-	-
Charge for the year	6,443	2,079	2,907	11,429
At 31 December 2017	<u>410,836</u>	<u>8,968</u>	<u>9,030</u>	<u>428,834</u>
<b>Net book values</b>				
At 31 December 2017	<u>877,797</u>	<u>2,753</u>	<u>-</u>	<u>880,550</u>
At 31 December 2016	<u>884,240</u>	<u>4,832</u>	<u>2,907</u>	<u>891,979</u>

The trustees have reviewed the value of the freehold land and buildings. They are of the opinion that the market value at 31 December 2017 was not less than the net book value shown above.

# **THE ARAB BRITISH CENTRE**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2017**

### **9 Fixed asset investments**

<b>Investec Wealth &amp; Investment</b>	<b>£</b>
At 1 January 2017	1,796,231
Additions at cost	676,557
Disposals at cost	(632,006)
Net gain/(loss) on revaluation	(64,107)
At 31 December 2017 (cost = £1,366,125)	<u>1,776,675</u>
<b>Total investments</b>	<b><u>Total</u></b>
	<b><u>£</u></b>
Total value of investments at 31 December 2017	1,914,806
Less: cash (included under current assets)	138,131
Fixed asset investments at 31 December 2017	<u><u>1,776,675</u></u>

The above investments are held to provide an investment return for the charity.

UK assets comprise approximately 61% of the value of the fixed asset investments as at 31 December 2017.

### **10 Debtors**

	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Contributions receivable	1,065	2,751
Other debtors	1,312	4,352
	<u><u>2,377</u></u>	<u><u>7,103</u></u>

# THE ARAB BRITISH CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

11 Creditors: amounts falling due within one year	2017 £	2016 £
Taxation and social security	3,000	3,032
Accruals and deferred income	4,500	4,320
Other creditors	13,293	12,248
	<u>20,793</u>	<u>19,600</u>

## 12 Analysis of net assets between funds

	<u>Unrestricted income funds</u> £	<u>Expendable endowment funds</u> £	<u>Total funds</u> £
Tangible fixed assets	2,753	877,797	880,550
Investments	-	1,776,675	1,776,675
Current assets	29,431	138,131	167,562
Current liabilities	(20,793)	-	(20,793)
Net assets at 31 December 2017	<u>11,391</u>	<u>2,792,603</u>	<u>2,803,994</u>

## 13 Movement in funds

	<u>Unrestricted income funds</u> £	<u>Expendable endowment funds</u> £	<u>Total funds</u> £
Balance at 1 January 2017	59,874	2,701,963	2,761,837
Incoming resources	126,109	29,441	155,550
Resources expended	(284,592)	(24,850)	(309,442)
Gains/(losses) on sale of investments	-	260,156	260,156
Transfers	110,000	(110,000)	-
Gains/(losses) on revaluation of investments	-	(64,107)	(64,107)
Balance at 31 December 2017	<u>11,391</u>	<u>2,792,603</u>	<u>2,803,994</u>

## 14 Related party disclosures

There were no related party transactions for the year ended 31 December 2017.

## 15 Auditors' ethical standards

In common with many companies of our size and nature we use our auditors to assist with the preparation of the financial statements.