

Charity Number: 1002876

THE SAUDI BRITISH SOCIETY
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

CHANTER, BROWNE & CURRY
Chartered Accountants
1 Plato Place
72-74 St Dionis Road
London SW6 4TU.

THE SAUDI BRITISH SOCIETY

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THE SAUDI BRITISH SOCIETY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The trustees present their annual report with the financial statements of the charity for the year ended 31 December 2011.

President	H.R.H. Prince Mohammed bin Nawaf Al-Saud
Honorary Vice-Presidents	The Rt Hon. Lord Charles Denman CBE, MC, TD Sir Alan Munro KCMG
Chairman	Sir Sherard Cowper-Coles KCMG LVO
Honorary Secretary	Mrs Ionis V Thompson
Honorary Treasurer	Mr Syed Ali Abbas
Trustees	Mrs Ionis V Thompson Mr Syed Ali Abbas Mr Anthony Bailey OBE, GCSS Brigadier Nicholas Cocking Mr Mu'awiya Derhalli Mr Hassan Khayat Mrs Caroline Montagu Dr Samira Osailan Mr David Lloyd Mr Abdulrahman al Suhaibani Dr Sabah Al-Safi Ms Melissa Pye Mr Ali Ashban Mr Rasheed Alajmi
Registered charity number	1002876
Registered office	1 Gough Square London EC4A 3DE.
Independent examiner	Chanter, Browne & Curry Chartered Accountants 1 Plato Place 72-74 St Dionis Road London SW6 4TU.
Bankers	National Westminster Bank 1-4 Berkeley Square House Berkeley Square London W1A 1SN.

THE SAUDI BRITISH SOCIETY

TRUSTEES' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2011**

Structure, Governance and Management

Governing Document

The Society was formed on 19 January 1987 to further cordial relations between Britain and Saudi Arabia. The Saudi British Society was registered by the Charity Commission on 23 May 1991. The charity has a trust deed which sets out the Society's objects and powers.

Recruitment and Appointment of Trustees

Appointment of trustees is governed by the Trust Deed of the charity. The Board of Trustees is authorised to appoint new trustees to fill vacancies arising through resignation or death of an existing trustee.

Trustee Induction

Trustees are given documents relating to the rules and obligations of trustees as set out by the Charity Commission.

Risk management

The trustees actively review the major risks which the Society 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.

Organisational Structure

The Society has a President who is always the Saudi Arabian Ambassador in London, and an elected Committee. The Society has an honorary Secretary and Treasurer. There is also a part-time administrator.

Objectives and Activities

The Society's objects are to help promote closer friendship and understanding between the people of Saudi Arabia and the United Kingdom. The Society is a social, cultural, non-political and non-commercial organisation. It aims to bring together British citizens who have an interest in Saudi Arabia and Saudi Arabian citizens who are resident in, visitors to or interested in the UK. It aims also to provide a medium through which hospitality may be offered to Saudi Arabians visiting or living in the UK.

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

The Society's activities have included receptions for important visitors, dinners, exhibitions and lectures. The Society takes an active interest in the activities of the King Fahd Academy in Ealing and, with the generous and valuable support of British Aerospace, presents a silver cup and a cheque each year to the boy and girl nominated as best student by the Headmaster and Headmistress.

THE SAUDI BRITISH SOCIETY

TRUSTEES' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2011**

Achievements and Performance

The Society has maintained a good level of activity during the past year. The evening talks continued to be popular with members with subjects that aroused particular interest, and indeed broke some new ground for the Society's programme. In April 2011 there was a most successful evening when a group of Saudis students who are studying at universities here, gave their warm impressions of how they found life in Britain. In June 2011, we were fortunate to have Daniel Kawczynski MP, who chairs the All Party Parliamentary Group to Saudi Arabia, to speak at the AGM about the growing links between Westminster and the Majlis as Shura in Riyadh. In October 2011, Sir Tom Phillips, British Ambassador to Saudi Arabia, gave a talk entitled "Saudi Arabia in the Region and in Itself".

In February 2011 the two Al Rawabi Group prizes for outstanding contribution to Saudi-British relations were presented. The winners were Robert Lacey, in recognition of his role as the leading British writer on the Kingdom and its society, and Dr. Venetia Porter of the British Museum for her work on exhibitions devoted to the culture and history of Arabia. The presentations were made by Mr. Abdul Aziz Al Turki, the generous sponsor of the project, and were followed by a buffet dinner.

A new two year cultural, artistic and educational exchange programme entitled Painting & Patronage has been announced under the patronage of HRH Prince Khalid al Faisal, Governor of Mecca, and HRH The Prince of Wales. The Society fully supports this important initiative and has been invited to participate in the programme.

The Society has been working actively to identify and contact members of the Saudi student body, who are invited to attend meetings, and given concessionary membership rates.

Financial review

The attached financial statements summarise the Society's transactions for the year ended 31 December 2011. The trustees are satisfied with the financial situation of the Society.

Principal Funding Sources

The Society's principal sources of funding are:-

- (a) members' subscriptions;
- (b) members' contributions towards events held by the Society.

Investment Policy

The Trust Deed authorises the trustees to make and hold investments using the general funds of the charity. The investments undertaken by the Trustees have now recovered their value, following falls in 2008/9 and are now showing a modest surplus. The Trustees took independent advice before making the investments, and continue to take independent advice regarding the portfolio composition. The funds will be retained in a cautious portfolio.

Reserves policy

It is the policy of the charity to maintain unrestricted funds at a level which equate to approximately 12 months unrestricted expenditure. This provides sufficient funds to cover management and administration and support costs. Unrestricted funds are maintained at least at this level throughout the year.

THE SAUDI BRITISH SOCIETY

TRUSTEES' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2011**

Plans for Future Periods

The sixth annual Al Rawabi Holdings Prizes were presented in February 2012. Further talks on a range of topics are planned for 2012.

Trustees' responsibilities

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the trustees are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- (d) 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 accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. 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.

Independent Examiner

The trustees intend to ask the existing accountants to undertake the independent examination of the Society's accounts in the following year.

This report was approved by the trustees on 20 June 2012 and is signed on their behalf.

.....
Sir Sherard Cowper-Coles KCMG LVO
Chairman

THE SAUDI BRITISH SOCIETY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report on the accounts of the Society for the year ended 31 December 2011, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

Respective responsibilities of trustees and examiner

As the charity's trustees, you are responsible for the preparation of the accounts. You consider that the audit requirement of section 144 of the Charities Act 2011 (the Charities Act) does not apply, and that an independent examination is needed.

It is my responsibility:-

- to examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 14(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matters have come to my attention:

- 1) which give me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 130 of the Charities Act;
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Charities Act have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
P.G. Browne FCA CTA

Chanter, Browne & Curry

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

Date: 20 June 2012.

THE SAUDI BRITISH SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2011

		<u>Unrestricted funds</u>	
	<u>Notes</u>	<u>2011</u>	<u>2010</u>
		<u>£</u>	<u>£</u>
Incoming resources	1.2		
Subscriptions and contributions receivable		3,942	3,462
Al Rawabi Group Prize income		13,000	14,000
Donations received		1,235	720
Bank interest received		31	-
Other income		-	245
Total incoming resources		<u>18,208</u>	<u>18,427</u>
Resources expended			
Costs of generating funds	1.3, 2	14,005	17,127
Charitable expenditure			
Charitable activities	1.3, 3	2,485	2,349
Governance costs	1.3, 3	720	690
Total resources expended		<u>17,210</u>	<u>20,166</u>
Net incoming/(outgoing) resources before other recognised gains and losses		998	(1,739)
Other recognised gains and losses			
Profit/(loss) on revaluation of investments	5	(852)	2,776
Net movement in funds		146	1,037
Reconciliation of funds			
Total funds brought forward		<u>37,474</u>	<u>36,437</u>
Total funds carried forward	7	<u><u>37,620</u></u>	<u><u>37,474</u></u>

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

THE SAUDI BRITISH SOCIETY

BALANCE SHEET AT 31 DECEMBER 2011

	Notes	Unrestricted funds			
		2011	2010		
		£	£	£	
Fixed assets					
Investments	5		26,896	27,748	
Current assets					
Cash at bank and in hand		11,527		23,416	
Creditors: amounts falling due within one year	6	(803)		(13,690)	
Net current assets			10,724	9,726	
Total assets less current liabilities			37,620	37,474	
Funds					
Unrestricted income funds:-					
General fund	7		37,620	37,474	

Approved by the trustees and signed on their behalf:-

.....
Sir Sherard Cowper-Coles KCMG LVO
Chairman

Date: 20 June 2012.

THE SAUDI BRITISH SOCIETY

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2011**

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.

1.1 Basis of preparation of the accounts

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in 2005.

1.2 Incoming resources

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

Costs of generating funds comprise costs directed related to the Society's activities during the year, including the costs of holding the buffet evening and lectures.

Governance costs represents accountancy fees. All other expenditure is included under charitable expenditure.

2 Costs of generating funds	2011	2010
	£	£
Al Rawabi Group Prize	10,000	10,000
Receptions and meetings	4,005	7,127
	<hr/>	<hr/>
	14,005	17,127
	<hr/> <hr/>	<hr/> <hr/>

THE SAUDI BRITISH SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

3 Charitable expenditure	2011	2010
	£	£
Charitable activities		
Staff costs		
- administrator's salary	1,000	1,000
Office costs	1,485	1,299
Donations paid	-	50
Other costs	-	-
	<u>2,485</u>	<u>2,349</u>
Governance costs		
Accountancy fees	<u>720</u>	<u>690</u>

None of the trustees (nor any persons connected with them) received any remuneration nor were reimbursed for expenses during the year.

The average number of employees during the year was 1 (2010: 1).

4 Taxation

As a charity, The Saudi British Society is exempt from tax on income and gains where they are applied for charitable purposes. No tax charges have arisen in the two years ended 31 December 2011.

5 Fixed asset investments

	<u>Investment funds</u>
	£
At 1 January 2011	27,748
Revaluation	(852)
At 31 December 2011	<u>26,896</u>

6 Creditors: amounts falling due within one year	2011	2010
	£	£
Monies received in advance	-	13,000
Accrued expenses	803	690
	<u>803</u>	<u>13,690</u>

THE SAUDI BRITISH SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

7 Statement of funds

	<u>General reserve</u> £
Unrestricted funds	
Balance at 1 January 2011	37,474
Incoming resources	18,208
	<hr/> 55,682
Resources expended	(17,210)
Gain/(loss) on revaluation of investments	(852)
Balance at 31 December 2011	<hr/> <hr/> 37,620