

Registered charity number: 1002876

THE SAUDI BRITISH SOCIETY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2016**

The trustees present their report and the financial statements for the year ended 31 December 2016. The financial statements comply with the Charities Act 2011 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 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.

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. In June 2016 Ms. Salma al Ajaji, of Aramco, gave a talk entitled: Saudi Aramco: Its Role and Future Development. She talked about Saudi Aramco. Over the past 80 years the company has become a world leader in hydrocarbons exploration, production, refining, distribution and marketing. Ms. Salma al Ajaji discussed its current role and future development.

In November 2016, the Society's annual Ghazi al Gosaibi Memorial Lecture was given by HRH Prince Turki al Faisal, Chairman of the Board of the King Faisal Center for Research and Islamic Studies and Patron of the Saudi-British Society. The title of his lecture was: A Saudi View of Events in the Middle East.

In February 2016 the two Al Rawabi Group prizes for outstanding contribution to Saudi-British relations were presented. The prizes were awarded to Dr. Ali Almihdar LL.M PhD and Ms. Judy Houry MBE.

Dr. Almihdar's connections to the UK go back to his undergraduate days at Cambridge and his law practice in Jeddah has been very oriented to UK inward investment into the Kingdom, since the start in the 1970s. His connections to the UK have developed to the point that he is the honorary legal adviser to the British Consulate in Jeddah. Even more unusually for a practising Saudi lawyer, he now spends a considerable amount of time practising at the English Bar in London. He is eminently deserving of recognition as someone who has contributed significantly over the years to Saudi British relations.

Ms Houry, is the founder of Open Skies, Jeddah, a riding school for the disabled. The British Consul in Jeddah has commented: " It would be a very well deserved award for Judy who has put in decades of work with children here in Jeddah – Saudi and expatriates.

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.

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REPORT OF THE TRUSTEES (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2016**

Financial review

The attached financial statements summarise the Society's transactions for the year ended 31 December 2016. 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 trustees are pleased with the increase in the value of the investments during the year. 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.

Plans for the future

The eleventh annual Al Rawabi Holdings Prizes were presented in February 2017. Further talks on a range of topics are planned for 2017.

THE SAUDI BRITISH SOCIETY

REPORT OF THE TRUSTEES (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2016**

Reference and administrative details

Patrons	H.R.H. The Prince of Wales KG H.R.H. Prince Turki bin Faisal al Saud
President	H.R.H. Prince Mohammed bin Nawaf Al-Saud
Honorary Vice-President	Sir Alan Munro KCMG
Chairman	Sir Derek Plumbly KCMG
Honorary Secretary	Mrs Ionis V Thompson
Honorary Treasurer	Mr Syed Ali Abbas
Trustees	Sir Derek Plumbly KCMG Mrs Ionis V Thompson Mr Syed Ali Abbas Brigadier Nicholas Cocking Mr Mu'awiya Derhalli Mrs Caroline Montagu Mr David Lloyd Mr Emad Dughaiter Mr Abdulmomen Sharaf Mr Peter Harrigan Ms Sara Al-Shareef Dr Asma Siddiki Sir Sherard Cowper-Coles KCMG LVO (resigned) Ms Carolyn Perry (resigned) Dr Abdulaziz Alwasil (resigned) Mr Geoff Calvert (resigned) Ms Natasha Whitehouse (resigned) Mr Jon Harrison (resigned)
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	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ. National Westminster Bank 1-4 Berkeley Square House Berkeley Square London W1A 1SN.

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REPORT OF THE TRUSTEES (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2016**

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

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

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.

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.

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.

This report was approved by the Board of Directors and Trustees and signed on its behalf:-

.....
Sir Derek Plumbly KCMG
Chairman

20 July 2017

THE SAUDI BRITISH SOCIETY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report on the accounts of the charity for the year ended 31 December 2016, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes on pages 6 to 11.

Respective responsibilities of trustees and examiner

As the charity's trustees, are responsible for the preparation of the accounts. You consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit and is eligible for independent examination, it is my responsibility to :-

- examine the accounts under section 145 of the Charities Act,
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

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 you as 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; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

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.

20 July 2017

THE SAUDI BRITISH SOCIETY**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016****SUMMARY INCOME AND EXPENDITURE ACCOUNT**

	<u>Notes</u>	<u>Unrestricted funds</u>	
		<u>2016</u>	<u>2015</u>
		<u>£</u>	<u>£</u>
INCOME			
Donations	2	21,160	21,454
Investments	3	4	5
Total income		<u>21,164</u>	<u>21,459</u>
EXPENDITURE			
Raising funds	4	22,934	20,747
Charitable activities	5	12,165	2,438
Total expenditure		<u>35,099</u>	<u>23,185</u>
Net income/(expenditure)		(13,935)	(1,726)
Other recognised gains/(losses)			
Gains/(losses) on revaluation of investments		2,198	420
NET MOVEMENT IN FUNDS		<u>(11,737)</u>	<u>(1,306)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward		46,639	47,945
TOTAL FUNDS CARRIED FORWARD		<u>34,902</u>	<u>46,639</u>

THE SAUDI BRITISH SOCIETY

BALANCE SHEET **AT 31 DECEMBER 2016**

	<u>Notes</u>	<u>Unrestricted funds</u>			
		<u>£</u>	<u>2016</u>	<u>£</u>	<u>2015</u>
Fixed assets					
Investments	6		31,488		36,290
Current assets					
Cash at bank and in hand		4,284		11,189	
Creditors: amounts falling due within one year	7	<u>(870)</u>		<u>(840)</u>	
Net current assets			3,414		10,349
Net assets			<u>34,902</u>		<u>46,639</u>
Funds of the charity					
Unrestricted income funds:-					
General fund	8		<u>34,902</u>		<u>46,639</u>

Approved by the trustees and signed on their behalf:-

.....
Sir Derek Plumbly KCMG
Chairman

20 July 2017

THE SAUDI BRITISH SOCIETY

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2016**

1 Accounting policies

1.1 Basis of preparation

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).

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated.

1.2 Income recognition

Subscriptions and donations are included in incoming resources as income in the accounting period when they are receivable, except where the donor specifies that they should be used for a specific period.

1.3 Expenditure recognition

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure directly attributable to any specific activities has been included in these cost activities. Where costs are attributable to more than one activity they have been apportioned across categories on a basis consistent with the use of these resources.

1.4 Investments

Fixed asset investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

THE SAUDI BRITISH SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2016**

2 Income from donations

	<u>2016</u> £	<u>2015</u> £
Subscriptions and contributions received	4,160	4,454
Donations received	-	1,000
Al Rawabi Group Prize fund	17,000	16,000
	<u>21,160</u>	<u>21,454</u>

3 Income from investments

	<u>2016</u> £	<u>2015</u> £
Bank interest received	<u>4</u>	<u>5</u>

4 Expenditure on raising funds

	<u>2016</u> £	<u>2015</u> £
Al Rawabi Group Prizes	10,000	10,000
Receptions and meetings	12,934	10,747
	<u>22,934</u>	<u>20,747</u>

5 Expenditure on charitable activities

	<u>2016</u> £	<u>2015</u> £
Staff costs		
- administrator's salary	-	417
Office costs	1,295	607
Travel costs	-	574
Donations	10,000	-
	<u>11,295</u>	<u>1,598</u>
Governance costs		
Accountancy	<u>870</u>	<u>840</u>
Total expenditure on charitable activities	<u>12,165</u>	<u>2,438</u>

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

THE SAUDI BRITISH SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2016**

6 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 2016.

6 Fixed asset investments	<u>2016</u> £	<u>2015</u> £
Market value at 1 January 2016	36,290	35,870
Acquisitions at cost	-	-
Disposals at carrying value	(7,000)	-
Change in value in the year	2,198	420
Market value at 31 December 2016	<u>31,488</u>	<u>36,290</u>

7 Creditors: amounts falling due within one year

	<u>2016</u> £	<u>2015</u> £
Accruals	<u>870</u>	<u>840</u>

8 Statement of funds

	<u>General</u> <u>reserve</u> £
Unrestricted funds	
Balance at 1 January 2016	46,639
Income	<u>21,164</u> 67,803
Expenditure	(35,099)
Gain/(loss) on revaluation of investments	2,198
Balance at 31 December 2016	<u>34,902</u>

THE SAUDI BRITISH SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2016**

9 First-time adoption of SORP (FRS 102)

The charity has adopted the SORP (FRS 102) as amended by bulletin 1 for the first time in the year ended 31 December 2016.

The effect of transition from SORP (2005) to SORP (FRS 102) is outlined below:

a) Changes in accounting policies.

There were no consequential changes in accounting policies resulting from adoption of SORP (FRS 102).

b) Reconciliation of total charity funds and comparative period net income.

No adjustments to the previously reported charity funds or net income were required on transition to SORP (FRS 102).