

Charity Number: 1002876

THE SAUDI BRITISH SOCIETY
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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

THE SAUDI BRITISH SOCIETY

CONTENTS

	<u>Page</u>
Report of the trustees	1 - 4
Independent examiner's report	5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8 - 10

THE SAUDI BRITISH SOCIETY

TRUSTEES' REPORT **FOR THE YEAR ENDED 31 DECEMBER 2012**

The trustees present their annual report with the financial statements of the charity for the year ended 31 December 2012.

President	H.R.H. Prince Mohammed bin Nawaf Al-Saud
Honorary Vice-Presidents	The Rt Hon. Lord Charles Denman CBE, MC, TD (died 21/11/2012) 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 2012**

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 2012**

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 March 2012 a special evening for members of the Society was held at the British Museum's exhibition Hajj: Journey to the Heart of Islam. Members and their guests were given an introduction to the exhibition by co-organiser Qaisra Khan and, after a tour of the exhibition, there was a reception in the Great Hall. In September 2012, Sir Alan Munro held a talk about his recently published book of memoirs, Keep The Flag Flying, which covers his career in Saudi Arabia, including his experiences there during the First Gulf War, and across the Arab world.

In February 2012 the two Al Rawabi Group prizes for outstanding contribution to Saudi-British relations were presented. The winners were Sir Alan Munro and the film-maker Michael McKinnon. Sir Alan Munro, our former Chairman, and our current Vice-President, was a distinguished Ambassador to Riyadh in the late 1980s and early 1990s, a period encompassing the First Gulf War. This award was given for the work he has undertaken since his retirement, fostering links between the UK and Saudi Arabia by taking part in trade missions and conferences and tirelessly promoting Saudi-British relations through his many media appearances. Mr Michael McKinnon is a film-maker, whose films include Arabia: Sand Sea and Sky (Eye of the Camel, Red Sea Rift and The Mountain Barrier) on the natural history of Saudi Arabia. After the 1990 invasion of Kuwait he covered Saudi Arabia's environmental efforts in his film The Tide of War and later profiled the conservation of the Arabian Oryx in his Return of the Unicorn. His latest work is on the life of King Abdulaziz.

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 2012. 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.

THE SAUDI BRITISH SOCIETY

TRUSTEES' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2012**

Plans for Future Periods

The seventh annual Al Rawabi Holdings Prizes were presented in February 2013. Further talks on a range of topics are planned for 2013.

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 2013 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 2012, 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: 2013

THE SAUDI BRITISH SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>Notes</u>	<u>Unrestricted funds</u>	
		<u>2012</u>	<u>2011</u>
		£	£
Incoming resources	1.2		
Subscriptions and contributions receivable		4,532	3,942
Al Rawabi Group Prize income		14,000	13,000
Donations received		3,580	1,235
Bank interest received		3	31
Total incoming resources		<u>22,115</u>	<u>18,208</u>
Resources expended			
Costs of generating funds	1.3, 2	20,594	14,005
Charitable expenditure			
Charitable activities	1.3, 3	2,436	2,485
Governance costs	1.3, 3	750	720
Total resources expended		<u>23,780</u>	<u>17,210</u>
Net incoming/(outgoing) resources before other recognised gains and losses		(1,665)	998
Other recognised gains and losses			
Profit/(loss) on revaluation of investments	5	4,563	(852)
Net movement in funds		2,898	146
Reconciliation of funds			
Total funds brought forward		<u>37,620</u>	<u>37,474</u>
Total funds carried forward	7	<u>40,518</u>	<u>37,620</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 2012

	Notes	Unrestricted funds			
		2012			2011
		£	£	£	£
Fixed assets					
Investments	5		31,459		26,896
Current assets					
Cash at bank and in hand		10,008		11,527	
Creditors: amounts falling due within one year	6	(949)		(803)	
Net current assets			<u>9,059</u>		<u>10,724</u>
Total assets less current liabilities			<u>40,518</u>		<u>37,620</u>
Funds					
Unrestricted income funds:-					
General fund	7		<u>40,518</u>		<u>37,620</u>

Approved by the trustees and signed on their behalf:-

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

Date: 2013

THE SAUDI BRITISH SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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	2012	2011
	£	£
Al Rawabi Group Prize	10,000	10,000
Receptions and meetings	10,594	4,005
	<hr/>	<hr/>
	20,594	14,005
	<hr/> <hr/>	<hr/> <hr/>

THE SAUDI BRITISH SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

3 Charitable expenditure	2012	2011
	£	£
Charitable activities		
Staff costs		
- administrator's salary	1,000	1,000
Office costs	1,436	1,485
	<hr/>	<hr/>
	2,436	2,485
	<hr/>	<hr/>
Governance costs		
Accountancy fees	750	720
	<hr/>	<hr/>

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 (2011: 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 2012.

5 Fixed asset investments

	Investment funds
	£
At 1 January 2012	26,896
Revaluation	4,563
	<hr/>
At 31 December 2012	31,459
	<hr/>

6 Creditors: amounts falling due within one year	2012	2011
	£	£
Accrued expenses	949	803
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THE SAUDI BRITISH SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2012**

7 Statement of funds

	<u>General reserve</u>
Unrestricted funds	£
Balance at 1 January 2012	37,620
Incoming resources	22,115
	<hr/>
	59,735
Resources expended	(23,780)
Gain/(loss) on revaluation of investments	4,563
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Balance at 31 December 2012	<u>40,518</u>