

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

**THE ARAB BRITISH CENTRE**  
**(A Not For Profit Company Limited By Guarantee)**

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

**FOR THE YEAR ENDED 31 DECEMBER 2018**



**CHANTER, BROWNE & CURRY**

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

# **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 - 20

# **THE ARAB BRITISH CENTRE**

## **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 DECEMBER 2018**

---

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 2018 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 2018, The Centre continued its mission to further understanding of the Arab world in the UK.

In January, the centre collaborated with HEC Global Learning, an organisation working with schools and the community to promote a global perspective on equality, justice and sustainability. Led by Alia Alzougbi, the project consisted in developing and designing an educational resource for teachers to use in schools. This resource celebrates the contemporary production of Arab artists, makers and thinkers, in their diversity as peoples with a wide array of languages and religions. It references the works of today's cultural producers to challenge the assumption that the peak of cultural production has been and gone.

## **THE ARAB BRITISH CENTRE**

### **REPORT OF THE TRUSTEES (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2018**

---

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

Several workshops were delivered between January and March 2018, comprised of a series of activities based on evaluation practices in global learning or global citizenship. The activities establish base-line knowledge and understanding of the subject with students and teachers, and then follow up with a re-cap of what they have learned during and after the workshop. The workshops were fun, interactive and engaging, but most of all they measured changes in knowledge, attitudes and values about the Arab World.

The workshops focused on activities that collaboratively explore or discuss:

- Geographical area of the Arab world
- Arabic language and culture
- Stereotyping in the media
- Contemporary art, literature, music and theatre

Four workshops took place between January and March:

- Year 8 Drama students – The Deanes School Essex – presented by Alia Alzougbi
- Year 5 and 6 – Bangabandhu Primary School, Tower Hamlets - presented by Alia Alzougbi
- Year 5 and 6 Westborough Primary School, Kent – presented by Alia Alzougbi
- Years 2 – 4 Westborough Primary School, Kent – presented by Elias Mattar

Following the workshop the educational resource was finalised to adjust for the lessons learnt during the testing phase and based on feedback from teachers during a focus group, held at the Centre on 25 October 2018. The education resource was signed on in December 2018 and will be disseminated online and in school throughout 2019 and 2020.

In February, the Arab British Centre ran a storytelling workshop, led by Elias Mattar, exploring the tool of storytelling through the role of *El Hakawati* (The Storyteller). Sixteen participants attended the two-hour session. Participants used drama exercises to collect stories from their personal experiences and worked in groups to present these stories at the end of the workshop. In addition to being fun and artistic, the workshop taught the tools and practices of drama therapy.

In March, the Centre collaborated for the third consecutive year with Arts Canteen and their Arab Women Artists Now festival by facilitating three artistic development workshops at its central London premises. The workshops were attended by 50 female participants and consisted of: *Environmental Sustainability* with Sholeh Johnston (Clare Fellow and Associate of Julie's Bicycle), *Sustainable Financial Models & Creative Entrepreneurship* with Dr. Siân Prime (Director of MA Creative and Cultural Entrepreneurship at Goldsmiths) and *The Power of Outreach Work in Artistic Practice* with Amerah Saleh, Yemeni Spoken Word artist and winner of Youth 4 Excellence Award 2014.

In June, The Arab British Centre supported the Arab Puppet Theatre Foundation's 'Performance Desperately in Need of An Audience' at The Court Theatre in London and the Migration Matters Festival in Sheffield, to audiences of over 240 people.

In July, The Arab British Centre put a call out for young film-makers with Arab-themed projects to attend a free, two-day project development workshop led by British-Palestinian film maker Saeed Taji Farouky. Six successful applicants, all female film-makers, participated in the workshop and were invited to attend screenings at the SAFAR Film Festival as part of their professional development.

## **THE ARAB BRITISH CENTRE**

### **REPORT OF THE TRUSTEES (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2018**

---

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

The SAFAR Film Festival, which ran from 13-18 September, returned to the Institute for Contemporary Arts (ICA) and for the first time at the Institut Français and Kings College. The fourth edition of the festival examined the enduring and symbiotic relationship of literature and film in the Arab world, presenting a rich and diverse programme of cinema from the 1960s to the present day.

SAFAR, A Literary Journey through Arab Cinema, highlighted one of the most underexplored chapters of Arab film history, with classic adaptations from Syria, Egypt, Tunisia and Algeria, including some world premier restorations. Curated by Joseph Fahim, the festival explored the myriad ways in which literature and storytelling can influence contemporary cinema – from story structure, to folklore, to autobiography – with a selection of documentaries, shorts, and features from Iraq, Palestine, Jordan, Qatar, and Lebanon, all accompanied by expert Q&As. The festival had an overall attendance of 1,441 people, a 37% increase compared to the 2016 edition. The programme included 11 feature films and 4 shorts. Seven of these films were UK premieres while three other films were translated and subtitled into English, with the generous support of the Barjeel Foundation.

The relationship between film and literature was further explored through a collaboration with long-time friends and resident of the Arab British Centre, Banipal Magazine of Modern Arab Literature. Their 62<sup>nd</sup> edition, titled *A Literary Journey Through Arab Cinema*, featured over 13 articles on the subject from world-wide contributors. Their current print run is 1,000 copies.

The Arab British Centre's cultural programme wrapped up in December with a series of events held at its premises. *On Memory: An Evening with Palestinian Writers* included readings, performances and spoken word featuring Ahmed Masoud, Selma Dabbagh, Jihan Bseiso and Farah Chamma and was attended by over 60 people. The centre also collaborated with Lebanese-based Dongola Limited Editions for the UK launch of *The Distance is Always Other*, a collaborative photography artist book by British photographer Chris Coekin and Lebanese photographer Noel Nasr, with text in English and Arabic by Lebanese author and poet Fadi Tofeili. The book, a limited edition of 173, was designed by renowned Iranian graphic designer Reza Abedini, as an artistic exploration, grounded in archival documentation, highlighting socio-geographical transformations in Lebanon over the past forty years. A visual exhibition, curated by Abed Al Kadiri, was also on show at the centre for two days and attracted 50 visitors.

The Centre continued to run its series of courses, including Arabic language, Kufic script, Islamic Art and Architecture, as well as Oud and Darbuka with the Taqasim Music School. Overall, the courses were attended by nearly 300 students, the highest number of registrations on record.

The Arab British Centre continues to house like-minded resident organisations by providing affordable serviced offices within its premises. In 2018 the Arab British Centre supported the following organisations and individuals; The Council for Arab British Understanding (CAABU), The Centre for Transnational Development and Collaboration (CTDC), The Friends of Edward Said Foundation (Pal Music), Shubbak Festival, Zaytoun and Iraqi filmmaker Ashtar Al Khirsan. The Barakat Trust, which supports the study and preservation of the heritage, architecture, archaeology, art and culture of the Islamic world by funding students, academic research, publications, digitisation, conservation, conferences and other projects, joined the Arab British Centre in July. The Centre also hosts the following associate residents and supports them by providing a postal address and meeting room access; Arts Cabinet, BANIPAL Magazine, Friends of Birzeit University, NAABA UK, the Saudi British Society, The British Tunisian Society and Open Bethlehem.

2018 was also a year of structural change for the organisation. The Centre now employs three full-time staff as well as one part-time office manager who looks after the building, the residents and the centre's day-to-day activities.

# **THE ARAB BRITISH CENTRE**

## **REPORT OF THE TRUSTEES (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2018**

---

### **Financial Review**

The attached financial statements summarise the charity's transactions for the year ended 31 December 2018. Total funds for the year show an excess of expenditure over income of £38,830. Adding the loss on the revaluation of investments of £208,558, resulting in a net deficit for the year of £247,388. Total funds at 31 December 2018 amounted to £2,556,606, comprising £26,761 unrestricted income funds, and £2,529,845 endowment funds.

### **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 2018**

---

### **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 (resigned 31 May 2019)  
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  
Mr Maher Maksoud (appointed 7 March 2019)

### **Company Secretary**

Mrs Nadia El-Sebai

# **THE ARAB BRITISH CENTRE**

## **REPORT OF THE TRUSTEES (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2018**

---

### **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 2018**

---

### **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.

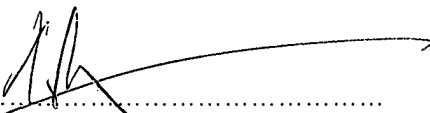
### **Auditors**

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 23 July 2019 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 2018 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 2018 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 charitable 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 17 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 charitable 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' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' 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' 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 trustees**

As explained more fully in the statement "Responsibilities of the Council" set out on page 7, the trustees, who are also the directors of the charitable company for company law, 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 trustees 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**

23 July 2019

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 2018

### SUMMARY INCOME AND EXPENDITURE ACCOUNT

		2018			2017
	Notes	Unrestricted income funds	Endowment funds	Total funds	Total funds
		£	£	£	£
<b>INCOME</b>	1.3				
Donations	3	5,960	-	5,960	21,280
Charitable activities	4	139,253	-	139,253	104,806
Investments	5	84	30,682	30,766	29,464
<b>Total incoming resources</b>		<b>145,297</b>	<b>30,682</b>	<b>175,979</b>	<b>155,550</b>
<b>EXPENDITURE</b>	1.4				
<b>Raising funds</b>					
Investment management costs	6	-	17,969	17,969	18,407
<b>Charitable activities</b>	6	280,075	6,443	286,518	291,035
<b>Total expenditure</b>		<b>280,075</b>	<b>24,412</b>	<b>304,487</b>	<b>309,442</b>
Gains/(losses) on sale of investments		-	89,530	89,530	260,156
<b>Net income/(expenditure)</b>		<b>(134,778)</b>	<b>95,800</b>	<b>(38,978)</b>	<b>106,264</b>
<b>TRANSFERS</b>					
Gross transfers between funds	8	150,000	(150,000)	-	-
		15,222	(54,200)	(38,978)	106,264
<b>OTHER RECOGNISED GAINS/ (LOSSES)</b>					
Gains/(losses) on revaluation of investments	10	-	(208,558)	(208,558)	(64,107)
Net movement in funds for the year		15,222	(262,758)	(247,536)	42,157
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		11,391	2,792,603	2,803,994	2,761,837
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>26,613</b>	<b>2,529,845</b>	<b>2,556,458</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.

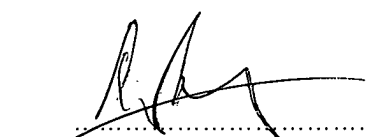
# THE ARAB BRITISH CENTRE

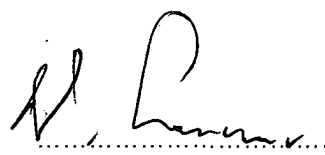
## BALANCE SHEET AT 31 DECEMBER 2018

	Notes	2018			2017
		Unrestricted income funds	Endowment funds	Total funds	Total funds
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9	1,514	871,354	872,868	880,550
Investments	10	-	1,587,968	1,587,968	1,776,675
		<u>1,514</u>	<u>2,459,322</u>	<u>2,460,836</u>	<u>2,657,225</u>
<b>Current assets</b>					
Debtors	11	21,566	-	21,566	2,377
Cash at bank and in hand		28,091	70,523	98,614	165,185
		<u>49,657</u>	<u>70,523</u>	<u>120,180</u>	<u>167,562</u>
<b>Creditors: amounts falling due within one year</b>	12	24,558	-	24,558	20,793
<b>Net current assets</b>		<u>25,099</u>	<u>70,523</u>	<u>95,622</u>	<u>146,769</u>
<b>Net assets</b>		<u>26,613</u>	<u>2,529,845</u>	<u>2,556,458</u>	<u>2,803,994</u>
<b>Funds of the charity</b>					
Endowment funds	14, 15			2,529,845	2,792,603
Unrestricted income funds	14, 15			26,613	11,391
<b>Total charity funds</b>				<u>2,556,458</u>	<u>2,803,994</u>

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 23 July 2019.

  
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 2018**

---

### **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.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

#### **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 2018**

---

### **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.

## **2 Legal status**

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.



# THE ARAB BRITISH CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 3 Donations received

	2018			2017
	<u>Unrestricted income funds</u>	<u>Endowment funds</u>	<u>Total funds</u>	<u>Total funds</u>
	£	£	£	£
Donations received	5,960	-	5,960	21,280

### 4 Income from charitable activities

	2018			2017
	<u>Unrestricted income funds</u>	<u>Endowment funds</u>	<u>Total funds</u>	<u>Total funds</u>
	£	£	£	£
Contributions from users	67,776	-	67,776	62,992
Income from Arabic calligraphy classes	2,610	-	2,610	3,898
Income from Arabic classes	14,055	-	14,055	9,480
Income from music classes	24,539	-	24,539	25,946
Income from Islamic Art and Architecture classes	3,200	-	3,200	2,390
Income from events and functions	26,368	-	26,368	-
Hire of boardroom	450	-	450	100
Library memberships	255	-	255	-
	<u>139,253</u>	<u>-</u>	<u>139,253</u>	<u>104,806</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.

### 5 Investment income

	2018			2017
	<u>Unrestricted income funds</u>	<u>Endowment funds</u>	<u>Total funds</u>	<u>Total funds</u>
	£	£	£	£
Bank interest received	84	-	84	23
Dividends received from listed investments:-				
- UK investments	-	26,062	26,062	23,628
- overseas investments	-	4,567	4,567	5,813
Interest received from UK listed investments	-	53	53	-
	<u>84</u>	<u>30,682</u>	<u>30,766</u>	<u>29,464</u>

# THE ARAB BRITISH CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 6 Expenditure on charitable activities

	2018		2017
	<u>Unrestricted income funds</u>	<u>Endowment funds</u>	<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<b>Costs of raising funds</b>			
Investment management costs	-	17,969	17,969
			18,407
<b>Charitable activities</b>			
Cost of operation of the Centre:-			
Depreciation	1,501	6,443	7,944
Repairs and maintenance	32,970	-	32,970
Staff costs:-			
- gross wages and salaries	109,804	-	109,804
- employers' NICs	8,208	-	8,208
- pension contributions	6,026	-	6,026
Office and other costs	62,286	-	62,286
Sponsorship grants	250	-	250
Events, festivals and functions	54,290	-	54,290
	275,335	6,443	281,778
			286,535
<b>Governance costs</b>			
Auditors' remuneration	4,740	-	4,740
	280,075	6,443	286,518
			291,035

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 (2017: 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.

### 7 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 2018.

# THE ARAB BRITISH CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 8 Transfers between funds

	2018	
	<u>Unrestricted income funds</u>	<u>Endowment funds</u>
	<u>£</u>	<u>£</u>
Net transfers from investment funds to cover costs of operation of The Centre	150,000	(150,000)

### 9 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 2018	1,288,633	11,721	9,030	1,309,384
Additions	-	262	-	262
Disposals	-	-	-	-
At 31 December 2018	1,288,633	11,983	9,030	1,309,646
<b>Depreciation</b>				
At 1 January 2018	410,836	8,968	9,030	428,834
On disposals	-	-	-	-
Charge for the year	6,443	1,501	-	7,944
At 31 December 2018	417,279	10,469	9,030	436,778
<b>Net book values</b>				
At 31 December 2018	871,354	1,514	-	872,868
At 31 December 2017	877,797	2,753	-	880,550

The trustees have reviewed the value of the freehold land and buildings. They are of the opinion that the market value at 31 December 2018 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 2018**

### **10 Fixed asset investments**

<b>Investec Wealth &amp; Investment</b>	<b>£</b>
At 1 January 2018	1,776,675
Additions at cost	402,731
Disposals at cost	(382,880)
Net gain/(loss) on revaluation	(208,558)
At 31 December 2018 (cost = £1,385,976)	<u>1,587,968</u>

### **Total investments**

	<b><u>Total</u></b> <b>£</b>
Total value of investments at 31 December 2018	1,658,491
Less: cash at brokers (included under current assets)	70,523
Fixed asset investments at 31 December 2018	<u>1,587,968</u>

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

UK assets comprise approximately 58% of the value of the fixed asset investments as at 31 December 2018.

### **11 Debtors**

	<b><u>2018</u></b> <b>£</b>	<b><u>2017</u></b> <b>£</b>
Contributions receivable	21,566	1,065
Other debtors	-	1,312
	<u>21,566</u>	<u>2,377</u>

# **THE ARAB BRITISH CENTRE**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2018**

### **12 Creditors: amounts falling due within one year**

	<u>2018</u> £	<u>2017</u> £
Taxation and social security	3,050	3,000
Accruals	4,920	4,500
Deferred income (see note 13)	2,701	-
Other creditors	13,887	13,293
	<u>24,558</u>	<u>20,793</u>

### **13 Deferred income**

Deferred income comprises contributions from users received in advance.

	<u>2018</u> £	<u>2017</u> £
Balance at 1 January 2018	-	-
Amount released to income earned from charitable activities	-	-
Amount deferred in year	2,701	-
Balance at 31 December 2018	<u>2,701</u>	<u>-</u>

### **14 Analysis of net assets between funds**

	<u>Unrestricted</u> <u>income funds</u> £	<u>Expendable</u> <u>endowment</u> <u>funds</u> £	<u>Total funds</u> £
Tangible fixed assets	1,514	871,354	872,868
Investments	-	1,587,968	1,587,968
Current assets	49,657	70,523	120,180
Current liabilities	(24,558)	-	(24,558)
Net assets at 31 December 2018	<u>26,613</u>	<u>2,529,845</u>	<u>2,556,458</u>

### **15 Movement in funds**

	<u>Unrestricted</u> <u>income funds</u> £	<u>Expendable</u> <u>endowment</u> <u>funds</u> £	<u>Total funds</u> £
Balance at 1 January 2018	11,391	2,792,603	2,803,994
Incoming resources	145,297	30,682	175,979
Resources expended	(280,075)	(24,412)	(304,487)
Gains/(losses) on sale of investments	-	89,530	89,530
Transfers	150,000	(150,000)	-
Gains/(losses) on revaluation of investments	-	(208,558)	(208,558)
Balance at 31 December 2018	<u>26,613</u>	<u>2,529,845</u>	<u>2,556,458</u>

# **THE ARAB BRITISH CENTRE**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2018**

---

### **16 Related party disclosures**

There were no related party transactions for the year ended 31 December 2018.

### **17 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.