

ASIA HOUSE
Company Limited by Guarantee
Registered Charity

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Company number 3312073
Charity number 1072696

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COMPANIES HOUSE



**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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REFERENCE AND ADMINISTRATIVE INFORMATION

TRUSTEES

Sir John Boyd KCMG, Chairman
Mr Vahid Alaghband, Deputy Chairman
Mr Victor Chu, Deputy Chairman
Mr Zarir Jal Cama, Deputy Chairman
The Hon Apurv Bagri
Mr Nicholas Butler
Mr Dominic Casserley (resigned 6 September 2012)
Mr Miles Celic (appointed 6 September 2012)
Mr Hussain Dawood
Mr Martin Dewhurst (appointed 6 September 2012)
Mr Charles Haswell (appointed 6 September 2012)
Mr Richard Holmes
Ms Bridget Kendall
Ms Sung-Joo Kim
Ms Beth McKillop
Mr Dalip Pathak
Mr Andrew Patrick
Mr Andrew Roberts
Lord Wei of Shoreditch
Mr Tom Dodd (appointed 21 March 2012)

CHIEF EXECUTIVE

Sumantra Ghose (Interim Chief Executive from 15 November 2011 to 4 September 2012)
Michael Lawrence (appointed 4 September 2012)

COMPANY SECRETARY

Charles Noel FCA (appointed 12 August 2012)

CHARITY REGISTRATION NUMBER

1072696

COMPANY REGISTRATION NUMBER

3312073

REGISTERED OFFICE

63 New Cavendish Street
London W1G 7LP

AUDITORS

haysmacintyre, Chartered Accountants
Fairfax House
15 Fulwood Place
London WC1V 6AY

BANKERS

HSBC
89 Buckingham Palace Road
London SW1W 0QL

SOLICITORS

RadcliffesLeBrasseur
5 Great College Street
London SW1P 3SS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The Trustees of Asia House present their report and financial statements for the year ended 31 December 2012 prepared in accordance with the Companies Act 2006 and SORP 2005

CONSTITUTION

The company was incorporated on 29 January 1997 and was registered as a charity with the Charity Commission on 2 December 1998

On 30 June 2000, Asia House purchased as a going concern all of the undertakings, assets, liabilities and obligations of Asia House Trust, a registered charity which had substantially the same objects as Asia House

OBJECTS OF THE CHARITY

Asia House was founded to establish and maintain, for the public benefit, an Asian institute to further the appreciation and understanding of Asian countries, their cultures, religions and economies and to foster closer communication between the peoples of Europe and Asia through a programme of exhibitions, lectures, conferences and meetings

TRUSTEES AND GOVERNANCE

The trustees who served during the year are named on page 1. Following the Government's implementation of the Charities Act 2006, the Trustees are cognisant of their responsibilities in demonstrating public benefit and have regard to the Charity Commission's guidance in this area.

The Finance and Development Committee, chaired by Mr Zarir Jal Cama, monitors the finances of Asia House and reviews development and fundraising strategies.

The Nominations and Compliance Committee, chaired by Sir John Boyd, considers trustee nominations and makes recommendations for the composition of the Board of Trustees to a meeting of the Trustees. Following appointment, new trustees receive an induction briefing from the Chairman and CEO during a visit to Asia House. When the committee considers compliance issues the chair is taken by Ms Beth McKillop.

The following appointments were made during 2012:

Mr Miles Celic (Director of Group Public Affairs and Policy, Prudential plc)
Mr Martin Dewhurst (Senior Partner, McKinsey & Company)
Mr Charles Haswell (Group Head, Financial Sector Policy, HSBC Holdings plc)
Mr Tom Dodd (Head ASEAN Department, Foreign and Commonwealth Office)

Mr Sumantro Ghose was appointed interim CEO from 15 November 2011 until 4 September 2012 when Mr Michael Lawrence was appointed CEO.

PRINCIPAL ACTIVITIES

Asia House achieves its objectives through Cultural and Corporate Programmes.

The Cultural Programme delivers a wide range of activities that highlight the culture, beliefs, political and economic current affairs of the countries of Asia. The pan-Asian nature of the programme is crucial in delivering our objectives and ensuring the expansion and diversity of our audiences.

The Business and Policy Programme is designed to stimulate debate and intellectual leadership on key current issues by bringing together leading Asian politicians and diplomats, businesspeople and decision makers together with CEOs and executives from UK and Asian based companies.

Cultural Programme 2012 highlights

In 2012 the Cultural Programme comprised 72 events covering film, literature, visual arts, poetry, music, history and performance. Cultural programmes covered 32 countries of Asia from the Persian Gulf in the west to the Pacific Ocean in the east, reaching a total audience of 9,322, including exhibitions and the Asia House Fair. Highlights of the programme included events on Indian Mughal painting by world expert Robert Skelton, sacred art of Ladakh and Indonesian puppet theatre. Alongside the cultural programmes we ran a number of current affairs talks covering subjects including India-China trade relations, the war against the Taliban, contemporary Iranian society, the Arab Spring, the geopolitics of oil and the relations between Christianity and Islam in Asia.

Outside of Asia House we ran museum tours focusing on Asia at the British Museum, V&A and Kew Gardens.

Pan-Asia Film Festival 2012 (PAFF) 9th – 18th March

PAFF 2012 showcased the best of new cinema from across Asia, including films by established international directors and emerging, award-winning film-makers from India, China, Tibet, South Korea, Kazakhstan, Japan and Iran. The

festival included one world premiere, four UK and one London premiere of independent feature films, most of which would not otherwise have been seen in the UK. Two directors and a producer attended from India and China and contributed to post-screening discussions. Satellite screenings were held at Manchester Cornerhouse cinema and the University of Leeds. The festival was attended by an audience of 833, an average per screening attendance of 103, up 11% on the previous year. The festival, sponsored for the second consecutive year by Prudential, was featured on BBC World Service radio. A programme highlight was the closing night gala screening of the UK premiere of the film *11 Flowers* by Wang Xiao-Shai, which featured a post-screening discussion with lead actor Wen Jinchung and Asia House Chairman Sir John Boyd.

Asia House Fair

The Asia House Fair returned for the third year in April 2012. The Fair is a showcase and marketplace for Asian craft and design, supporting craftspeople and traders from several Asian countries. The Fair was attended by 3,000 people and raised additional funding of over £12k for Asia House through stall hire and commission fees. A programme of talks on design and ethical trade in Afghanistan was held during the Fair.

Festival of Asian Literature 2012 15th – 31st May

The Asia House Festival of Asian Literature, back for its sixth edition, celebrated the writing of Asia and Asians with 28 talks, discussions and debates by new and established authors from across Asia and the west. Genres covered included fiction, non-fiction, journalism, poetry, storytelling and writing for children. Adult and family events featured new writing about Afghanistan, Burma, Cambodia, China, Hong Kong, Iran, Iraq, India, Japan, Kashmir, Pakistan, Sri Lanka, Tajikistan and Asians in Britain. Newly published works by Hardeep Singh Kohli, Marina Warner, Romesh Gunsekera and emerging authors, Zarghuna Kargar, Roshni Fernando, Jeet Thayil, Madeline Thien, Joydeep Roy Battacharya were included in the festival. Additional events were presented at the Alchemy Festival in partnership with Southbank Centre and at the Festival of Ideas in Bristol Fiction.

Asia House Summer School 2012

This was run for the third year in July 2012, featuring a series of expert practical classes and workshops on traditional and contemporary arts and cultures. For the first time the summer school was given a single country focus. Iran Workshops consisted of Persian calligraphy, poetry, the significance of Norouz celebrations, Iranian cinema, cross-cultural (mis)communication and a workshop led by well-known contemporary music band, Ajam. This summer school was the most successful to date with an audience of 101 of which 50% under the age of 30.

Exhibitions held at Asia House 2012

In 2012 we presented 11 visual arts exhibitions at Asia House with works from China, India, Japan, Singapore, Hong Kong, South Korea and Pakistan. Works exhibited included historical/traditional and contemporary painting and drawing, photography and video.

Artists featured included

- Du Benji Master of Calligraphy
- Lee Kangwook 'Invisible Space'
- Jamil Naqsh Memories of Pigeons and Doves
- Hong Ling landscapes

Rangoonwala Foundation, sponsors of the Asia House studio exhibition space, presented an exhibition of contemporary Pakistani art, *Different Faces of Pakistan*.

Business and Policy Programme Highlights

In 2012 Asia House organised 45 events covering Business & Policy subjects, aimed at Corporate Members and the general public, which were attended by a total of 1,969 guests. Subjects included the energy landscape in Asia, market and political risk in Asia, defence and security in Asia, trade and investment relations with Asia, entrepreneurship and innovation in Asia, and social innovation in Asia.

Speakers and events included:

Signature Conferences	Public Policy Briefings
<ul style="list-style-type: none"> • <i>Asia Risk Outlook</i> Speakers included Parag Khanna, Council on European Foreign Relations, Professor Danny Quah, London School of Economics, Christine Shields, Standard Chartered Bank, Andrew Patrick, Foreign and Commonwealth Office, John Swenson-Wright, University of Cambridge 	<ul style="list-style-type: none"> • <i>Minister Le Luong Minh</i>, Deputy Foreign Minister of Vietnam, incoming ASEAN Secretary General • <i>Imran Khan</i>, Chairman, Pakistan Tehreek-e-Insaf • <i>Ishratul ul-Ebad Khan</i>, Governor of Sindh

<p>Lord (Digby) Jones, former Minister of State for Trade & Investment 'Britain in Asia's Century'</p> <ul style="list-style-type: none"> • <i>Social Innovation in Asia</i> Speakers included John Elkington, Chairman, Volans, M Rajendran, ArcelorMittal Foundation, Chris West, Director, Shell Foundation, Vinay Nair, Acumen Fund, Dato Kim Tan, Chairman, SpringHill Management • <i>Entrepreneurship and Innovation in Asia</i> Speakers included Sharon Bamford, Chief Executive, Association of MBAs, Alpesh Patel, Founding Principal, Praefinium Partners, Selina Sagayam, Partner, Gibson Dunn, Andrew White, Associate Dean, SAID Business School, Sachin Date, Partner, Ernst & Young • <i>Financial Regulation in Asia</i> Speakers included Miles Celic, Director of Group Public Affairs and Policy, Prudential plc, Carl Fernandes, Partner, Global Financial Regulation Group, Linklaters, Liz Lloyd, Group Head of Public Affairs, Standard Chartered Bank, Paul Traynor, Managing Director, Head of Insurance Segment EMEA, BNY Mellon <p>Business Briefings</p> <ul style="list-style-type: none"> • <i>Lord Browne of Madingley</i>, former CEO, BP • <i>Sir Win Bischoff</i>, Chairman, Lloyds Banking Group • <i>Xavier Rolet</i>, CEO of the London Stock Exchange • <i>Sir Andrew Cahn</i>, Vice Chairman of Nomura 	<p>Province (Muttahida Qaumi Movement)</p> <ul style="list-style-type: none"> • <i>Mark Canning</i>, British Ambassador to Indonesia • <i>HE Liu Xiaoming</i>, Ambassador of China to UK • <i>HE Keichi Hayashi</i>, Ambassador of Japan to the UK • <i>Asif Anwar Ahmad</i>, British Ambassador to Thailand and Laos • <i>Scott Wightman</i>, British Ambassador to South Korea • <i>HE Mr Thambynathan Jasudasan</i>, High Commissioner of the Republic of Singapore to the UK • <i>Stephen Lilly</i>, British Ambassador to Philippines • <i>HE Vu Quang Minh</i>, Ambassador of Vietnam to the UK • <i>Antony Phillipson</i>, British High Commissioner to Singapore • <i>HE Hamzah Thayeb</i>, Ambassador of Indonesia to the UK <p>Other events</p> <ul style="list-style-type: none"> • <i>Transforming Pakistan</i> Panel discussion with the Rt Hon Alan Duncan MP, Minister of State for International Development, Adam Thomson CMG, British High Commissioner to Pakistan and Hussain Dawood, Chairman, Dawood Group • <i>Trade Opportunities in Cambodia</i> Visit to the UK by senior business leaders from Cambodia Chamber of Commerce • <i>Launch Reception for the Mongolia Business Trade Council</i>, with HE Bulgaa Altangerel, Ambassador of Mongolia to the UK • <i>Private Investment and Development in Africa for British and Japanese Private Sectors</i>, seminar with the Rt Hon Lord Howell of Guildford, former Minister of State at the Foreign & Commonwealth Office, Masato Watanabe, Vice President of Japan International Cooperation Agency, the Rt Hon Sir Malcolm Bruce MP, Takashi Kitahara, Senior Vice President, Mitsui & Co Europe Plc and James Kenny, Arup
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Corporate Membership

Asia House Corporate Membership includes large and small UK based companies with business interests in Asia, covering a range of sectors including finance and banking, law, energy, engineering, telecommunications, consultancy, retail and recruitment. Membership at 31 December 2012 comprised 43 organisations.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

Partnerships

Partnerships are maintained with UK, US and Asian think tanks to broaden the reach of our programmes and enrich our content

Asian Business Leaders' Award

Each year the Asia House Board of Trustees recognises the achievements and service of an Asian Business Leader. An award is made at a gala dinner to recognise an individual's contribution as a leader in business and society. The 2012 ABLA was presented to Lubna Olayan, CEO of the Olayan Financing Company. The Rt Hon Hugo Swire MP and Lord Green of Hurstpierpoint gave speeches at the event, which was attended by Asia House supporters from London's business and policy community and raised funds for the organisation's ongoing programmes.

Individual Membership

Friends and Patrons of Asia House is an individual membership group of 539 supporters at three levels of support.

Secretariat Services

Asia House continues to provide secretariat services to the UK Japan 21st Century Group and the British Azerbaijan Business Council.

Commercial Activities

Asia House and its wholly owned trading subsidiary, Asia House Enterprises Ltd, generate revenue from commercial use of Asia House's premises. This included hire of rooms by third parties, sub-letting surplus office space, and rental of the mews house at the rear of the property.

RESULTS TO DECEMBER 2012 AND BEYOND

In the year to 31 December 2012, Asia House delivered a surplus of £220,828 (2011: £136,416). The improved result was largely due to an increase in revenue from the external hire of Asia House's premises and catering services and a reduction in staff and overhead costs, and professional fees.

2012 saw the start of the recruitment of a broader base of Corporate Partners supported by the Founder Stakeholders, HSBC, Prudential and Standard Chartered. During the year KPMG, Linklaters and BP joined as Champion Supporters and Indiabulls, McKinsey and the International Bank of Azerbaijan have joined since the year end. The short term bank loan was repaid by the end of the year and the Trustee loans were repaid in March 2013 (see note 12).

Other developments during the year included the appointment of Freya Aitken-Turff as Head of Communications and Stakeholder Relations, on secondment from Prudential. Since the year end a sales executive has been recruited to increase revenues from the external hire of the Charity's premises.

INTERNAL CONTROLS & RISK MANAGEMENT

Systems of internal control, designed to provide reasonable assurance against material misstatement and loss, include

- regular reports to the Trustees by the Chief Executive
- an annual budget approved by the Trustees
- regular consideration by the Trustees of the financial results, variance from budgets and non-financial performance indicators

The Charity's risk register is reviewed by Trustees annually. The register identifies the types of risks the charity faces, prioritises them in terms of potential impact and likelihood, and identifies means of mitigating each risk. The day-to-day responsibility for managing the risks is delegated by the Trustees to the Chief Executive and Senior Management.

ASIA HOUSE ENTERPRISES

Asia House Enterprises Ltd is a trading subsidiary of Asia House, operating the corporate membership programme, commercial letting of the function rooms at 63 New Cavendish Street as well as the shop and the Mackwood's Tea Room.

Net income generated by Asia House Enterprises increased in 2012, largely due to the increase in the external hire of Asia House's premises, referred to above. There was a reduction in membership fees, following a decrease in the number of members, offset by a reduction in costs. Membership numbers have increased since the year end.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources during that period. In preparing those financial statements, the Trustees 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 company will continue its activities

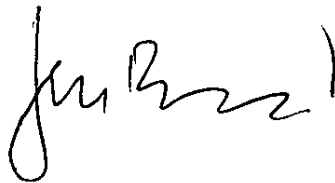
The Trustees are responsible for the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and to take reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charitable Company's auditors are unaware, and each trustee has taken all the steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

AUDITORS

A resolution reappointing Haysmacintyre as auditors will be proposed and implemented at the General Meeting.

Sir John Boyd KCMG
Chairman
13 June 2013



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ASIA HOUSE**

We have audited the financial statements of Asia House for the period ended 31 December 2012 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company's financial statements are not in agreement with the accounting records or 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.



*Richard Weaver (Senior statutory auditor)
for and on behalf of Haysmacintyre, Statutory Auditors*

Date 27 June 2013

*Fairfax House
15 Fulwood Place
London
WC1V 6AY*

ASIA HOUSE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Unrestricted Funds £	Restricted Funds £	Total funds 2012 £	Total Funds 2011 £
INCOMING RESOURCES					
Incoming resources from charitable activities:					
Cultural programme	2	578,359	55,550	633,909	933,159
Incoming resources from activities for generating funds:					
Trading income	2	745,802	-	745,802	806,943
Total incoming resources		<u>1,324,161</u>	<u>55,550</u>	<u>1,379,711</u>	<u>1,740,102</u>
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising		105,496	-	105,496	198,769
Trading expenses		281,576	-	281,576	372,055
Charity Activity and Governance:					
Cultural programme		673,037	43,500	716,537	994,672
Governance		55,273	-	55,273	38,190
Total resources expended	4	<u>1,115,382</u>	<u>43,500</u>	<u>1,158,882</u>	<u>1,603,686</u>
NET MOVEMENT IN FUNDS		<u>208,779</u>	<u>12,050</u>	<u>220,829</u>	<u>136,416</u>
FUND BALANCES BROUGHT FORWARD					
		<u>195,076</u>	<u>37,952</u>	<u>233,028</u>	<u>96,612</u>
FUND BALANCES CARRIED FORWARD AT 31 DECEMBER 2011					
	14	<u>403,855</u>	<u>50,002</u>	<u>453,857</u>	<u>233,028</u>

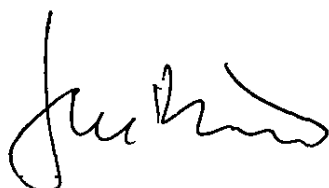
All of the charitable company's activities are derived from continuing activities

All recognised gains and losses are included in the Statement of Financial Activities

CONSOLIDATED BALANCE SHEET**AT 31 DECEMBER 2012**

	Notes	31 December 2012		31 December 2011	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	8		<u>5,354,348</u>		<u>5,421,876</u>
			5,354,348		5,421,876
CURRENT ASSETS					
Stock		1,881		1,350	
Debtors	10	219,529		79,622	
Cash at bank and in hand	11	<u>158,025</u>		<u>45,950</u>	
		379,435		126,922	
CREDITORS amounts falling due within one year	12	<u>(489,926)</u>		<u>(525,770)</u>	
NET CURRENT LIABILITIES			<u>(110,491)</u>		<u>(398,848)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,243,857		5,023,028
CREDITORS amounts falling due after one year			<u>(4,790,000)</u>		<u>(4,790,000)</u>
TOTAL NET ASSETS			<u>453,857</u>		<u>233,028</u>
Represented by:					
FUNDS & RESERVES					
Unrestricted - General fund		403,855		195,076	
Restricted fund	13	<u>50,002</u>		<u>37,952</u>	
		<u>453,857</u>		<u>233,028</u>	

Approved and authorised for issue by the Board of Trustees on 13 June 2013 and signed on its behalf by

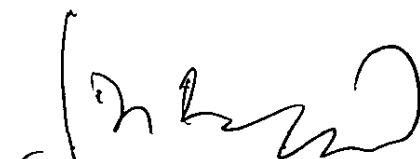

Sir John Boyd KCMG
Chairman

CHARITY BALANCE SHEET

AT 31 DECEMBER 2012

	Notes	31 December 2012		31 December 2011	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	8		5,352,107		5,418,219
Investments	9		<u>3</u>		<u>3</u>
			5,352,110		5,418,222
CURRENT ASSETS					
Debtors	10	289,334		49,507	
Cash at bank and in hand	11	<u>63,454</u>		<u>41,760</u>	
		352,788		91,267	
CREDITORS: amounts falling due within one year	12	<u>(461,041)</u>		<u>(486,461)</u>	
NET CURRENT (LIABILITY)/ASSETS			<u>(108,253)</u>		<u>(395,194)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,243,857		5,023,028
CREDITORS: amounts falling due after one year			<u>(4,790,000)</u>		<u>(4,790,000)</u>
TOTAL NET ASSETS			<u>453,857</u>		<u>233,028</u>
Represented by:					
FUNDS & RESERVES					
Unrestricted - General fund			403,855		195,076
Restricted fund	13		<u>50,002</u>		<u>37,952</u>
			<u>453,857</u>		<u>233,028</u>

Approved and authorised for issue by the Board of Trustees on 13 June 2013 and signed on its behalf by



Sir John Boyd KCMG
Chairman

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

a. Basis of accounting

The financial statements are prepared under the historical cost basis, in accordance with the Statement of Recommended Practice (Accounting by Charities), SORP 2005, Companies Act 2006 and with applicable accounting standards

Asia House is dependent on the continued support of the Stakeholders (HSBC, Standard Chartered and Prudential) and the recruitment of additional Corporate Partners. The Stakeholders have confirmed their support for Asia House and consequently the financial statements are prepared on a going concern basis

b. Basis of consolidation

Group financial statements consolidate the financial statements of Asia House and its wholly owned subsidiary undertakings, Asia House Enterprises Limited and Sixty Three New Cavendish Limited, for the year ended 31 December 2012. In accordance with Section 408 of the Companies Act 2006, no separate statement of financial activities is presented for Asia House

c. Fund accounting

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the trustees

The restricted fund comprises monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions

Non charitable trading fund consists of the retained profits of activities conducted through non-charitable trading subsidiaries

d. Incoming resources

With the exception of voluntary income arising from donations and membership subscriptions, which are recognised in full on the date of receipt, all income is credited to the statement of financial activities on the accruals basis

Donations are credited to the statement of financial activities in the year in which they are received

e. Resources expended

Charitable expenditure comprises direct expenses incurred on the defined charitable purposes of the charity and includes direct staff costs attributable to the activity and an allocation of the general management and overhead costs

Fundraising costs comprise expenditure incurred by the charity in inducing others to make contributions to it

Governance costs include expenditure on general administration and management, and compliance with constitutional and statutory requirements

f. Cash flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'

g. Tangible fixed assets

Fixed assets are stated at cost and depreciated over their estimated useful lives as follows

- Leasehold property & improvements - over the period of the lease, 125 years
except costs of the studio refurbishment which are being depreciated at 10% p a straight line
- Website & database - 25% p a straight line
- Office & IT equipment - 25% p a straight line

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

2. SOURCES OF INCOMING RESOURCES FROM CHARITABLE ACTIVITIES & ACTIVITIES GENERATING FUNDS

	Charitable Activities	Trading Activities	2012	2011
	£	£	£	£
Cultural and Patron Events	19,221	2,061	21,282	77,372
Cultural and Patron Membership	28,022	-	28,022	48,793
Corporate Membership Fees	-	344,500	344,500	383,946
Corporate Membership Programme	-	4,406	4,406	2,774
Grants	31,550	-	31,550	72,250
Donations	531,169	80	531,249	704,642
Sponsorship	23,947	7,505	31,452	79,650
Secretariat Fees	-	18,676	18,676	21,236
Other Income	-	368,574	368,574	349,439
	<u>633,909</u>	<u>745,802</u>	<u>1,379,711</u>	<u>1,740,102</u>

3 RESULTS OF TRADING SUBSIDIARY

Asia House has two wholly owned trading subsidiaries which are incorporated in England and Wales

Asia House Enterprises Limited	2012	2011
	£	£
Income	637,808	703,657
Expenditure	(265,435)	(367,914)
Operating Profit before Gift Aid	372,373	335,743
Amount payable to Asia House under Gift Aid	(372,373)	(335,743)
Result for the year	-	-

The principal activity of Asia House Enterprises Limited is the operation of a corporate membership programme for Asia House and the commercial letting of its function rooms. The Company covenants its profits to Asia House under gift aid.

Sixty Three New Cavendish Street

Did not trade during the year or the prior year

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

4 ANALYSIS OF RESOURCES EXPENDED

	Direct Costs £	Support Costs £	2012 £	2011 £
Costs of generating funds:				
Fundraising	105,496	-	105,496	198,769
Trading expenses	281,576	-	281,576	372,055
Charitable activity:				
Cultural programme	248,790	467,747	716,537	994,672
Governance	55,273	-	55,273	38,190
Total	691,135	467,747	1,158,882	1,603,686

Analysis of Direct & Support Costs of Charitable Activities:

Staff Costs	107,166	204,454	311,620	641,508
Office Running Costs	-	140,425	140,425	283,034
Programme Costs	141,624	61	141,685	287,837
Professional Fees	-	10,554	10,554	165,980
Other	-	34,393	34,393	163,739
Depreciation	-	77,860	77,860	86,105
	248,790	467,747	716,537	1,628,202

5. NET MOVEMENT IN FUNDS

	2012 £	2011 £
The net movement in funds is arrived at after charging		
Staff costs	554,873	666,240
Auditor's remuneration – audit fee	14,140	11,000
Auditor's remuneration – taxation advice	-	(620)
Depreciation	73,264	57,283
Loss on disposal of fixed assets	4,566	-

6. STAFF COSTS AND NUMBERS - CHARITY AND GROUP

	2012 £	2011 £
Staff costs during the year were		
Salaries and wages	497,414	555,959
Social security costs	52,127	60,080
Pension costs	-	-
	549,541	616,039
Consultants & Temporary Staff	3,922	40,285
Other Staff Costs / Redundancy	1,410	9,916
	554,873	666,240

Number of employees whose emoluments exceeded £60,000

£ 60,000 - £ 70,000	-	1
£ 70,000 - £ 80,000	1	1
£120,000 -£130,000	-	1

The average number of employees during the year was 15 (2011 14)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

7. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

The trustees received no remuneration for their services during the year. The Chairman was reimbursed expenses of £5,957 (2011: £5,044).

8. TANGIBLE FIXED ASSETS – GROUP

GROUP	Leasehold Property	Website	Office Equipment	Total
	£	£	£	£
COST				
At 1 January 2012	5,676,999	57,647	115,366	5,850,012
Additions	-	1,800	8,663	10,463
Disposals	-	(15,159)	(55,431)	(70,590)
At 31 December 2012	5,676,999	44,288	68,598	5,789,885
DEPRECIATION				
At 1 January 2012	316,280	12,743	99,113	428,136
Charge for the year	49,433	14,695	9,136	73,264
Disposals	-	(10,563)	(55,300)	(65,863)
At 31 December 2012	365,713	16,875	52,949	435,537
NET BOOK VALUE				
At 31 December 2012	5,311,286	27,413	15,649	5,354,348
At 31 December 2011	5,360,719	44,904	16,253	5,421,876

As at 28 February 2011 the Leasehold Property was valued at £6,410,000

CHARITY	Leasehold Property	Website	Office Equipment	Total
	£	£	£	£
COST				
At 1 January 2012	5,676,999	57,647	108,052	5,842,698
Additions	-	1,800	8,013	9,813
Disposals	-	(15,159)	(55,131)	(70,290)
At 31 December 2012	5,676,999	44,288	60,934	5,782,221
DEPRECIATION				
At 1 January 2012	316,280	12,743	95,456	424,479
Charge for the year	49,433	14,695	7,201	71,329
Disposals	-	(10,563)	(55,131)	(65,694)
At 31 December 2012	365,713	16,875	47,526	430,114
NET BOOK VALUE				
At 31 December 2012	5,311,286	27,413	13,408	5,352,107
At 31 December 2011	5,360,719	44,904	12,596	5,418,219

The net book value at 31 December 2012 represents fixed assets all used for charitable purposes

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

9. INVESTMENTS

	2012	2011
	£	£
Investment in subsidiary undertakings		
Asia House Enterprises Limited	2	2
Sixty Three New Cavendish Street Limited	1	1
	<u>3</u>	<u>3</u>

Asia House owns all of the issued share capital of Asia House Enterprises Limited and 63 New Cavendish Street Limited. The reserves of both subsidiaries at 31 December 2012 were £Nil (2011: £Nil).

10. DEBTORS

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	188,958	65,015	132,205	10,858
Prepayments and accrued income	30,571	14,607	29,362	14,607
Amount due from subsidiary	-	-	127,767	24,042
	<u>219,529</u>	<u>79,622</u>	<u>289,334</u>	<u>49,507</u>

11. CASH AT BANK AND IN HAND

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Unrestricted Cash	108,023	7,998	13,452	3,808
Restricted Cash Reserves	50,002	37,952	50,002	37,952
	<u>158,025</u>	<u>45,950</u>	<u>63,454</u>	<u>41,760</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

12. CREDITORS

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Amounts falling due within one year:				
Loans	88,000	88,000	88,000	88,000
Deferred income	257,313	24,329	232,697	19,329
Trade creditors and accruals	79,343	128,113	75,438	93,804
Other taxes and social security	65,270	60,328	64,906	60,328
Bank loan and overdraft	-	225,000	-	225,000
	489,926	525,770	461,061	486,461

Amounts falling due after more than one year:

Loans	4,790,000	4,790,000	4,790,000	4,790,000
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	2012	2011
	£	£
The loans are repayable in the following period		
Within one year	88,000	313,000
Within 1 to 2 years	510,000	510,000
Within 1 to 5 years	-	-
Over 5 years	4,280,000	4,280,000
	4,878,000	5,103,000

Included in the above are bank borrowings totalling £4,790,000. Of this amount a loan of £510,000 from Royal & Sun Alliance, due to have been repaid in 2013, was re-negotiated and repayment extended for a further period beyond the end of 2013. All other bank borrowings are due to be repaid in over five years.

Also included in the amount above are trustee loans of £88,000 due to have been repaid by 31 December 2012 which were extended and repaid on 11 March 2013.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

13. RESTRICTED FUNDS

The funds of the Charity include restricted funds comprising the following unexpended balances of donations held on Trust to be applied for specific purposes

	1 January 2012	Incoming Resources	Resources Expended & Transfers	31 December 2012
	£	£	£	£
Yan Kit So Memorial Lecture	5,477	-	-	5,477
Festival of Asian Literature	-	31,550	(31,550)	-
Pan Asian Women's Association	16,475	-	(800)	15,675
Fundraising Study	6,000	-	-	6,000
Studio Garden	10,000	-	-	10,000
2013 Film Festival	-	10,000	-	10,000
Exhibitions	-	14,000	(11,150)	2,850
	37,952	55,550	(43,500)	50,002

Yan Kit So Memorial Lecture – donations for the costs of holding a memorial lecture in memory of Yan Kit So and for future funding of activities relating to the food programme

Pan Asian Women's Association – funds to be used on joint PAWA and Asia House activities in support of Asian women's initiatives

Fund raising study – a donation to finance a fund raising study for the development of Asia House

Studio Garden – this donation was to finance the creation of a garden outside the refurbished studio

2013 Film Festival & Exhibitions – funds received for events planned for 2013

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Fund	Restricted Fund	Total 31 December 2011
	£	£	£
Fund balances at 31 December 2012 are represented by			
Fixed Assets	5,354,348	-	5,354,348
Current Assets	329,433	50,002	379,435
Creditors amounts falling due within one year	(489,926)	-	(489,926)
Creditors amounts falling due after one year	(4,790,000)	-	(4,790,000)
Total net assets	403,855	50,002	453,857

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

15. TAXATION

Asia House is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities

16. LIABILITY OF MEMBERS

Asia House is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1

17. CAPITAL COMMITMENT

At 31 December 2012 the charity had no outstanding capital commitments (2011: £nil)

18. RELATED PARTY TRANSACTIONS

The following amounts were received in donations, sponsorship, or other commercial transactions from Trustees' related parties

	2012 £
Prudential (Miles Celic)	148,500
Standard Chartered (Richard Holmes)	137,000
HSBC (Charles Haswell)	105,000
Balli Group, Iran Heritage Foundation (Vahid Alaghband)	69,296
Warburg Pinchus (Dalip Pathak)	32,800
McKinsey & Company (Martin Dewhurst)	15,600
Evolution Securities China Ltd (Victor Chu)	12,500
UK Japan 21 st Century Group (Sir John Boyd)	8,561
Herbert Smith (Andrew Roberts)	6,000
	<u>535,257</u>

Loans provided by Trustees was as follows

	2012 £	2011 £
Bagri Foundation (Apurv Bagri)	70,000	70,000
Dalip Pathak	18,000	18,000
	<u>88,000</u>	<u>88,000</u>

Both loans were fully repaid by 22 March 2013

During the year 4 trustees provided HSBC with security for a short term loan of £225,000 to Asia House. This loan was repaid by 31 December 2012 (see note 12)