

London Middle East Institute

(A company limited by guarantee)

Charity no: 1103017

Company no: 4758915

Report and Financial Statements
for the period ended 31 July 2004



London Middle East Institute

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London Middle East Institute

Legal and administrative information

Status

The organisation is a charitable company limited by guarantee, incorporated on 9 May 2003 and registered as a charity on 2 April 2004.

The company is governed by its Memorandum and Articles of Association, as amended by Special Resolution dated 6 November 2003.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up.

The Board of Trustees

	Appointed:	Resigned:
Chairman: Professor Colin Bundy, Director and Principal, SOAS	12/05/2003	
Professor Masoud Karshenas, SOAS	06/07/2004	
Dr Charles Tripp, SOAS	06/07/2004	
Dr Deniz Kandiyoti, SOAS	06/07/2004	
Professor Fred Halliday, London School of Economics (representative of the University of London)	12/05/2003	22/03/2004
Dr John Davies, All Souls College, Oxford (representative of the British Academy)	12/05/2003	
Ambassador Alan Gaulty (representative of the Foreign and Commonwealth Office)	12/05/2003	
Mrs Susan Salmanpour	06/07/2004	

Chief Executive Officer

Professor Robert Springborg

Company Secretary

Dr Sarah Stewart

Registered Office and operation address

London Middle East Institute
Thornhaugh Street
Russell Square
London WC1H 0XG

Auditors

Knox Cropper
Chartered Accountants
153-155 London Road
Hemel Hempstead
Herts HP3 9SQ

Bankers

NatWest Bank
94 Moorgate
London EC2M 6XT

Report of the Trustees

The Board of Trustees presents its report and the audited financial statements for the period ended 31 July 2004.

Activities and mission statement

The company is a charity and exists to advance education and research in all or any aspects of the Arab Middle East and North Africa, Israel, Iran and Turkey, and to secure the publication of any such research, for the benefit of the public. To achieve this object the London Middle East Institute (LMEI) organises conferences and seminars, provides specialist training and related professional services and produces a variety of publications.

The LMEI was incorporated on 9 May 2003 and commenced its activities from 1 August 2003.

Mission statement:

The aim of the LMEI, through education and research, is to promote knowledge of all aspects of the Middle East including its complexities, problems, achievements and assets, both among the general public and with those who have special interest in the region.

In this task it will build on two essential assets. First, it is based in London, a city which has unrivalled contemporary and historical connections and communications with the Middle East - political, social, cultural, commercial, scientific and educational. Secondly, the LMEI is closely linked to SOAS, the only tertiary educational institution in the world whose explicit purpose is to provide training and scholarship on the whole Middle East from prehistory until today.

Results for the period

The results for the period are detailed on pages 7 to 12.

Review of activities

The LMEI launched a new monthly magazine entitled *The Middle East in London*. This includes articles on cultural events taking place in London as well as pieces on current affairs, and a calendar of events, and interviews with prominent figures in the Middle East community.

The Tuesday evening lecture series on the contemporary Middle East continued to draw large audiences from amongst students and academics as well as the general public. Conferences included the annual BRISMES 3 day conference on Middle East Studies: Domination, Expression and Liberation in the Middle East; a conference on Libya: Libya's Future: domestic, regional and global contexts, sponsored by the Academy for Graduate Studies in Tripoli, and a conference on the Gulf: Challenging Limitations: the redefinition of roles for women in the GCC. A new lecture series on Iran was launched in April 2004 entitled: The Idea of Iran: from Eurasian Steppe to Persian Empire sponsored by the Soudavar Memorial Foundation.

Training programmes included a cultural awareness programme for MOD as part of a package for troops going to areas of conflict such as Iraq and Afghanistan.

Report of the Trustees

Reserves policy

Reserves are maintained at a level which supports the long term sustainability of the charity, whilst allowing it to grow and actively further its charitable objects.

Risk review

The Board of Trustees review the significant external risks facing the charity on an ongoing basis. Internal risks are minimised through procedures of authorisation for all transactions and projects.

Organisational structure

The LMEI is a registered charity governed by a Board of Trustees and chaired by Professor Colin Bundy, Director and Principal of the School of Oriental and African Studies (SOAS), and including three representatives from the academic staff of SOAS, one each from the Foreign and Commonwealth Office, The University of London and the British Academy, and two members who have relevant business/professional interests. Membership oversight and representation is secured through an annual general meeting.

Those Trustees representing the academic staff of SOAS and relevant business/professional interests are appointed by unanimous vote of the Board. Representatives of the Foreign and Commonwealth Office, The University of London and the British Academy are directly nominated by the relevant institution. No person appointed to the Board of Trustees shall serve for a period longer than six years.

The names of the Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, that served during the period are set out on page 1.

The LMEI was developed from the specialist regional expertise of SOAS and continues to draw on a number of its resources. The charity is however administratively and organisationally independent.

Report of the Trustees

Responsibilities of the Board of Trustees

Company law requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Board of Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis

The Board of Trustees is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Board of Trustees is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Knox Cropper were appointed as the charitable company's auditors during the year.

This report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board of Trustees and signed on its behalf.

Prof. C. Bundy
Chairman



Date 16 - 5 - 05

Independent Auditors' Report

To the members of the London Middle East Institute

We have audited the financial statements of London Middle East Institute for the year ended 31st July, 2004 which comprise the statement of financial activities, balance sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of The Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report or for the opinion we have formed.

Respective responsibilities of the Directors and Auditors

As described in the Statement of Trustees' Responsibilities, the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees' Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.


London Middle East Institute

Independent Auditors' Report

To the members of the London Middle East Institute

Opinion

In our opinion the financial statements give a true and fair view of the charity's affairs as at 31 July 2004 and of the incoming resources and resources expended, including its income and expenditure, for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


Knox Cropper
Chartered Accountants
Registered auditor

Date

16/5/05

153-155 London Road
Hemel Hempstead
Herts, HO3 9SQ

London Middle East Institute

Statement of Financial Activities (including Income and Expenditure Account) for the period ended 31 July 2004

	Note	Unrestricted Funds 2004 £
Incoming resources		
Donations, sponsorship and similar income	2	276,887
Activities to further the charity's objects:		
Training programmes and professional services	3	89,143
Conferences, events and publications		17,509
Affiliations		14,589
Activities for generating funds:		
Advertising		583
Total incoming resources		<u>398,711</u>
Resources expended		
Charitable expenditure:		
Training programmes and professional services		130,037
Conferences, events and publications		155,651
Affiliations		32,602
Management and administration		42,737
Total resources expended	4	<u>361,027</u>
Net incoming resources	5	<u>37,684</u>
- Net income for the year		
Total funds at 31 July 2004		<u>37,684</u>

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

London Middle East Institute

Balance Sheet as at 31 July 2004

	<i>Note</i>	2004 £
Current assets		
Debtors	8	10,967
Cash at bank and in hand		120,785
		<hr/> 131,752
Creditors: amounts falling due within one year	9	94,068
Net current assets		<hr/> 37,684
Unrestricted funds		37,684
Total funds		<hr/> 37,684

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board of Trustees and signed on its behalf by:

Prof. C. Bundy
Chairman



Date 16 - 8 - 05

Notes to the financial statements for the period ended 31 July 2004

1. Accounting policies

- (a) The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities, the Companies Act 1985 and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice issued in October 2000.
- (b) Incoming resources are recorded on a receivable basis, when the conditions of entitlement, certainty and measurement have been met. Income is only deferred when entitlement is dependent on the provision of future services.
- (c) Staff and services provided free of a charge by a third party are recognised as a donation under incoming resources, with a corresponding notional cost. The value of this donation is calculated on the basis of the cost suffered by the third party.
- (d) Resources expended are recognised in the period in which they are incurred.
- (e) Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity:

Conferences, events and publications	35%
Training programmes and consultancy services	35%
Affiliations	15%
Management and administration	15%
- (f) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

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Notes to the financial statements for the period ended 31 July 2004

2. Donations and gifts

	2004 £
General sponsorship	3,000
Event and conference sponsorship	60,520
Donated staff and services:	
Staff	165,954
Rent and room hire	47,413
	<u>276,887</u>

Staff and services were provided by the School of Oriental and African Studies. The donation has been valued on the basis of the cost suffered in providing such assistance.

3. Training programmes and professional services

	2004 £
Cultural awareness training programme	63,484
Professional services provided to UK government	14,360
Other services	11,299
	<u>89,143</u>

4. Total resources expended

	Training progs.& prof servs. £	Confs., events & publications £	Affiliations £	Management and admin. £	2004 Total £
Staff costs (note 6)	58,084	58,084	24,893	24,893	165,954
Non LMEI staff costs (note 7)	43,728	15,142	-	1,512	60,382
Room hire, catering & security	-	42,000	-	-	42,000
Publications and website	-	4,112	-	657	4,769
Speakers' subsistence	-	2,372	-	-	2,372
Recoverable expenses	5,510	170	-	-	5,680
Travel	4,463	11,265	-	232	15,960
Publicity	-	1,250	-	-	1,250
Legal fees	240	-	-	-	240
Audit fees	-	-	-	2,938	2,938
Accountancy fees	-	-	-	2,567	2,567
Printing, postage and telephone	5,783	9,051	2,479	2,629	19,942
Rent	9,143	9,143	3,918	3,918	26,122
Office expenses	3,062	3,062	1,312	1,312	8,748
Sundry	24	-	-	2,079	2,103
Total resources expended	<u>130,037</u>	<u>155,651</u>	<u>32,602</u>	<u>42,737</u>	<u>361,027</u>

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Notes to the financial statements for the period ended 31 July 2004

5. Net incoming resources for the year

This is stated after charging:

2004
£

Auditors' remuneration

2,938

6. Staff costs

2004
£

Staff provided at no cost by the School of Oriental and African Studies

165,954

The value of the donation has been calculated on the basis of the cost to the School of Oriental and African Studies in providing such assistance. This includes employer's national insurance costs and pension contributions in respect of the staff.

The Trustees were not paid or reimbursed for expenses during the year.

The average weekly number of seconded employees during the year, calculated on the basis of full time equivalents, was as follows:

Director

1

Assistant director

1

Administrator

1

3

The number of higher paid employees was:

£70,000 - £80,000

1

7. Non LMEI staff costs

2004
£

Staff costs recharged by the School of Oriental and African Studies

60,382

Non LMEI staff are used on a temporary basis to provide the specialist skills and knowledge that support the LMEI's charitable objectives. These are recharged by the School of Oriental and African Studies at the total salary cost relating to this work. In accordance with the Statement of Recommended Practice, such expenditure and associated staff numbers are not included in the staff cost disclosure, as per note 6.

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Notes to the financial statements for the period ended 31 July 2004

8. Debtors

	2004 £
Trade debtors	3,868
Accrued income	7,099
	<hr/> 10,967 <hr/>

9. Creditors: amounts falling due within one year

	2004 £
Trade creditors	451
Accruals and deferred income	75,617
Other creditors	18,000
	<hr/> 94,068 <hr/>

Included in accruals at the year end is a sum of £66,412 payable to the School of Oriental and African Studies.

10. Related party transactions

The School of Oriental and African Studies is the guarantor of the LMEI and has the right to maintain a minority interest on the Board of Trustees. Transactions between the two organisations are disclosed above in notes 2,6,7 and 9.