

Charity Number: 1002876

THE SAUDI BRITISH SOCIETY
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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

THE SAUDI BRITISH SOCIETY

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THE SAUDI BRITISH SOCIETY

TRUSTEES' REPORT **FOR THE YEAR ENDED 31 DECEMBER 2008**

The trustees present their annual report with the financial statements of the charity for the year ended 31 December 2008.

President	H.R.H. Prince Mohammed bin Nawaf Al-Saud
Honorary Vice-President	The Rt Hon. Lord Charles Denman CBE, MC, TD
Chairman	Sir Alan Munro KCMG
Vice-Chairman	Mr Christopher Owen Jones
Honorary Secretary	Mrs Ionis V Thompson
Honorary Treasurer	Mr Michael Brigden BSocSc, ACIB
Trustees	Sir Alan Munro KCMG Mr Christopher Owen Jones Mrs Ionis V Thompson Mr Anthony Bailey OBE, KCSS Mr Michael Brigden BSocSc, ACIB Brigadier Nicholas Cocking Mr Mu'awiya Derhalli Mr Hassan Khayat Mrs Caroline Montagu Mr H.E. Abdullah Shagrood Dr Samira Osailan Mr Abdullah Husaini Mr Fawaz Bukhari Mr David Lloyd
Registered charity number	1002876
Registered office	1 Gough Square London EC4A 3DE.
Independent examiner	Chanter, Browne & Curry Chartered Accountants 1 Plato Place 72-74 St Dionis Road London SW6 4TU.
Bankers	National Westminster Bank 1-4 Berkeley Square House Berkeley Square London W1A 1SN.

THE SAUDI BRITISH SOCIETY

TRUSTEES' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2008**

Structure, Governance and Management

Governing Document

The Society was formed on 19 January 1987 to further cordial relations between Britain and Saudi Arabia. The Saudi British Society was registered by the Charity Commission on 23 May 1991. The charity has a trust deed which sets out the Society's objects and powers.

Recruitment and Appointment of Trustees

Appointment of trustees is governed by the Trust Deed of the charity. The Board of Trustees is authorised to appoint new trustees to fill vacancies arising through resignation or death of an existing trustee.

Trustee Induction

Trustees are given documents relating to the rules and obligations of trustees as set out by the Charity Commission.

Risk management

The trustees actively review the major risks which the Society faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

Organisational Structure

The Society has a President who is always the Saudi Arabian Ambassador in London, and an elected Committee. The Society has an honorary Secretary and Treasurer. There is also a part-time administrator.

Objectives and Activities

The Society's objects are to help promote closer friendship and understanding between the people of Saudi Arabia and the United Kingdom. The Society is a social, cultural, non-political and non-commercial organisation. It aims to bring together British citizens who have an interest in Saudi Arabia and Saudi Arabian citizens who are resident in, visitors to or interested in the UK. It aims also to provide a medium through which hospitality may be offered to Saudi Arabians visiting or living in the UK.

The Society's activities have included receptions for important visitors, dinners, exhibitions, lectures and a book launch. The Society takes an active interest in the activities of the King Fahd Academy in Ealing and, with the generous and valuable support of British Aerospace, presents a silver cup and a cheque each year to the boy and girl nominated as best student by the Headmaster and Headmistress.

THE SAUDI BRITISH SOCIETY

TRUSTEES' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2008**

Achievements and Performance

In January 2008 the second two Al Rawabi Group prizes for outstanding contribution to Saudi-British relations were presented. The winners were Caroline Montagu, for her support for women's activities in the Kingdom, and Frank Gardner, for his work in presenting the Kingdom through the British media. The event was marked with a ceremony and buffet supper at the Institute of Directors. The donor of the prizes, Mr Abdul Aziz al Turki, gave an interesting talk on the prospects of the Saudi economy. This was followed by the two prizewinners, who spoke of their connections with Saudi Arabia.

The year also saw an interesting programme of talks. In March, Dr Samira Osailan, a Saudi oral surgeon at Guy's Hospital in London, spoke about her own experience in becoming a leading female figure in the medical profession. In May, in a talk held jointly with the Society for Arabian Studies, William Facey gave an account of the fascinating career in London and the pilgrimage to Mecca of Lady Evelyn Cobbold. The Society are planning to broaden the scope of the talks and discussion sessions in the year ahead.

Financial review

The attached financial statements summarise the Society's transactions for the year ended 31 December 2008.

Principal Funding Sources

The Society's principal sources of funding are:-

- (a) members' subscriptions;
- (b) members' contributions towards events held by the Society.

Investment Policy

The Trust Deed authorises the trustees to make and hold investments using the general funds of the charity. The trustees considered the most appropriate policy for investing funds. The Society has continued to hold its investment funds. The trustees consider the decline in value of the funds to be disappointing, but unsurprising given the current economic downturn.

Reserves policy

It is the policy of the charity to maintain unrestricted funds at a level which equate to approximately 12 months unrestricted expenditure. This provides sufficient funds to cover management and administration and support costs. Unrestricted funds are maintained at at least this level throughout the year.

Plans for Future Periods

The third annual Al Rawabi Holdings Prizes were presented in January 2009. Further talks on a range of topics are planned for 2009.

THE SAUDI BRITISH SOCIETY

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008

Trustees' responsibilities

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the trustees are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiner

The trustees intend to ask the existing accountants to undertake the independent examination of the Society's accounts in the following year.

This report was approved by the trustees on 2009 and is signed on their behalf.

.....
Sir Alan Munro
Chairman

THE SAUDI BRITISH SOCIETY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report on the accounts of the Society for the year ended 31 December 2008, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

Respective responsibilities of trustees and examiner

As the charity's trustees, you are responsible for the preparation of the accounts; you consider that the audit requirement of section 43(2) of the Charities Act 1993 (the Act) does not apply, and that an independent examination is needed. It is my responsibility to examine the accounts under section 43(3)(a) of the Act and to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43(7)(b) of the Act, whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matters have come to my attention:

- 1) which give me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 41 of the Act;
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act have not been met; or

- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
P.G. Browne FCA CTA

Chanter, Browne & Curry

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

Date: 2009

THE SAUDI BRITISH SOCIETY**STATEMENT OF FINANCIAL ACTIVITIES**
FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>Notes</u>	<u>Unrestricted funds</u>	
		<u>2008</u>	<u>2007</u>
		<u>£</u>	<u>£</u>
Incoming resources	1.2		
Subscriptions		2,606	2,647
Contributions receivable		1,756	2,265
Donations received		90	90
Bank interest received		23	1,453
Other income		594	292
Total incoming resources		<u>5,069</u>	<u>6,747</u>
Resources expended			
Costs of generating funds	1.3, 2	9,016	7,364
Charitable expenditure			
Charitable activities	1.3, 3	5,306	4,515
Governance costs	1.3, 3	753	734
Total resources expended		<u>15,075</u>	<u>12,613</u>
Net resources expended before other recognised gains and losses		(10,006)	(5,866)
Other recognised gains and losses			
Loss on revaluation of investments	5	(4,806)	(1,563)
Net movement in funds		<u>(14,812)</u>	<u>(7,429)</u>
Reconciliation of funds			
Total funds brought forward		41,022	48,451
Total funds carried forward		<u><u>26,210</u></u>	<u><u>41,022</u></u>

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

THE SAUDI BRITISH SOCIETY**BALANCE SHEET**
AT 31 DECEMBER 2008

	<u>Notes</u>	<u>Unrestricted funds</u>			
		<u>2008</u>			<u>2007</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Fixed assets					
Investments	5		18,631		23,437
Current assets					
Cash at bank and in hand		23,274		29,261	
Creditors: amounts falling due within one year	6	(15,695)		(11,676)	
Net current assets			7,579		17,585
Total assets less current liabilities			26,210		41,022
Funds					
General fund	7		26,210		41,022

Approved by the trustees and signed on their behalf:-

.....
Sir Alan Munro
Chairman

Date: 2009

THE SAUDI BRITISH SOCIETY

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2008**

1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

1.1 Basis of preparation of the accounts

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in 2005.

1.2 Incoming resources

Subscriptions and donations are recorded as income in the period in which they are received, except where the donor specifies that the donation should be used for a specific period.

1.3 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Costs of generating funds comprise costs directed related to the Society's activities during the year, including the costs of holding the buffet evening and lectures.

Governance costs represents accountancy fees. All other expenditure is included under charitable expenditure.

2 Costs of generating funds	<u>2008</u>	<u>2007</u>
	£	£
Receptions and annual dinner	7,647	4,644
Lecture and promotional costs	1,369	2,720
	<hr/>	<hr/>
	9,016	7,364
	<hr/> <hr/>	<hr/> <hr/>

THE SAUDI BRITISH SOCIETY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2008

3 Charitable expenditure	<u>2008</u>	<u>2007</u>
	£	£
Charitable activities		
Staff costs		
- administrator's salary	2,700	2,925
Office costs	2,106	1,090
Donations paid	500	500
Other costs	-	-
	<u>5,306</u>	<u>4,515</u>
Governance costs		
Accountancy fees	<u>753</u>	<u>734</u>

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

The average number of employees during the year was 1 (2007: 1).

4 Taxation

As a charity, The Saudi British Society is exempt from tax on income and gains where they are applied for charitable purposes. No tax charges have arisen in the two years ended 31 December 2008.

5 Fixed asset investments

	<u>Investment</u>
	<u>funds</u>
	£
At 1 January 2008	23,437
Revaluation	(4,806)
At 31 December 2008	<u>18,631</u>

6 Creditors: amounts falling due within one year	<u>2008</u>	<u>2007</u>
	£	£
Monies received in advance	15,000	11,000
Other creditors	695	676
	<u>15,695</u>	<u>676</u>

THE SAUDI BRITISH SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008

7 Statement of funds

	<u>General reserve</u>
	£
Unrestricted funds	
Balance at 1 January 2008	41,022
Incoming resources	5,069
	<hr/>
	46,091
Resources expended	(15,075)
Loss on revaluation of investments	(4,806)
	<hr/>
Balance at 31 December 2008	<u>26,210</u>