

ARAB LEARNING INITIATIVE
(Company limited by guarantee no. 5141908
registered charity no. 1105048)

REPORT AND FINANCIAL STATEMENTS

for the period 1 June 2004 to

31 December 2004

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ARAB LEARNING INITIATIVE

LEGAL AND ADMINISTRATIVE DETAILS

For the period from 1 June 2004 to 31 December 2004

Director Tarek Ben Halim (appointed 1 June 2004)

Company Secretary Maureen J Richards

Company reg. no. 5141908

Charity reg. no. 1105048

Registered office 18 Parkside
28-56 Knightsbridge
London SW1X 7JW

Bankers C. Hoare & Co
37 Fleet Street
London EC4P 4DQ

Reporting accountants Gotham Erskine
Chartered Accountants
Friendly House
52 - 58 Tabernacle Street
London EC2A 4NJ

BOARD'S REPORT

For the period from 1 June 2004 to 31 December 2004

The Director, who acts as the director of the Company for the purposes of the Companies Act, and Trustee for charity law purposes, submits the annual report and the financial statements of Arab Learning Initiative for the period. The Board confirms that the annual report and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in October 2000.

Organisation and structure

Legal and administrative information as set out on page 1 forms part of this report.

Arab Learning Initiative (the "Company") is limited by guarantee and has dispensation from the relevant authorities to omit "Limited" from its name. The Company came into operation on June 1st 2004 and was granted charitable status on July 22nd 2004.

Aims and Objects of the Charity

The Company's original objects were the advancement of education and learning for the public benefit and in particular to educate men and women and young people of all ages from a broad range of geographical, ethnic, social and economic backgrounds in the Arab World (this includes all member countries of the Arab League), to enable them to realize their full potential as individuals, within their communities and within society as a whole, provided always that nothing contained herein shall authorize, or be deemed to authorize, the carrying on of any activity for any purposes except those regarded as charitable by the laws of England and Wales.

As a result of preliminary development work in Egypt, the Board felt that a more expanded definition of the Company's objects would be helpful both in defining the Company's specific purpose and as providing greater clarity for supervising authorities and beneficiaries abroad. The Board wished to ensure that the scope of the Company's intended activities would enable it to support as wide a beneficiary group as possible, both by reaching a wider audience and also by diversifying the means by which the Company does so in furtherance of its mandate to advance education and learning for the public benefit. The Charity Commission agreed the following wording of the Company's objects clause on April 29th 2005.

1. The Company's objects are:
 - a. the advancement of education and learning for the public benefit and in particular to educate men and women and young people of all ages from a broad range of geographical, ethnic, social and economic backgrounds in the Arab World (this includes all member countries of the Arab League), to enable them to realise their full potential as individuals, within their communities and within society as a whole;
 - b. to develop the capacity and skills of the members of socially and economically disadvantaged communities in countries in the Arab World (including all member countries of the Arab League) in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society,

provided always that nothing contained herein shall authorise or be deemed to authorise the carrying on of any activity for any purposes except those regarded as charitable by the laws of England and Wales.

ARAB LEARNING INITIATIVE

BOARD'S REPORT

For the period from 1 June 2004 to 31 December 2004

Report of activity

The first seven months of the Company have seen the setting up phase during which time expenditure was minimal. Income by way of a donation of £10,000 was received as against expenditure of £1,102, thereby resulting in a surplus for the period of £8,898. Egypt has now been identified as the base for projects to be funded during phase one and it is intended that a branch of the Company will be established in Egypt during the financial year 2005. The Trustee has identified funding for 2005 of around £70,000 which he is confident will more than cover the costs anticipated during

Reserves and risks policies

The Trustee considers the Company to have sufficient funds to meet its immediate needs. The risks facing the Company are primarily associated with the establishment of the Egypt branch. The research currently being undertaken includes measures designed to mitigate these risks.

By order of the Board

Tarek Ben Halim -Trustee

Date: 25 May 2005

**Accountants' report on the unaudited accounts
to the director of Arab Learning Initiative**

In accordance with the engagement letter dated 12 May 2005 and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the Company which comprise the Statement of Financial Activities, the Balance Sheet and the related notes from the accounting records and information and explanations you have given us.

This report is made to the Director in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Director that we have done so, and state those matters that we have agreed to state to him in this 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 Director for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the comp

You have approved the financial information for the period ended 31 December 2004 and have acknowledged your responsibility for it, for the appropriateness of the accounting basis and for providing all information and explanations necessary for its compilation.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Gotham Erskine
Chartered Accountants
Friendly House
52 - 58 Tabernacle Street
London EC2A 4NJ

25-May-2005

ARAB LEARNING INITIATIVE (company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating Income and Expenditure Account & Statement of Total Realised Gains and Losses)
For the period from 1 June 2004 to 31 December 2004

	Note	Unrestricted Funds 2004 £	Restricted Funds 2004 £	Total Funds 2004 £
INCOMING RESOURCES				
Incoming resources from generated funds:				
Gift in kind	3	-	19600	19,600
Voluntary income	3	10,000	-	10,000
TOTAL INCOMING RESOURCES		10,000	19,600	29,600
RESOURCES EXPENDED				
Consultancy fees		397	19,600	19,997
Accountants' fees		705	-	705
TOTAL RESOURCES EXPENDED		1,102	19,600	20,702
TOTAL FUNDS AT 31 DECEMBER 2004		£ 8,898	£ Nil	£ 8,898

The annexed notes form part of these financial statements

ARAB LEARNING INITIATIVE

BALANCE SHEET As at 31 December 2004

	Notes	£	£
CURRENT ASSETS			
Cash at bank and in hand		9,838	
CREDITORS: amounts falling due within one year			
		(940)	
NET CURRENT ASSETS			8,898
NET ASSETS		£	8,898
FUNDS			
Unrestricted funds:			
Designated funds			-
General fund		8,898	
		£	8,898

The director is satisfied that the company is entitled to exemption under Section 249A(1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with Section 221 of the Companies Act 1985; and
- (ii) preparing accounts 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 profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective June 2002). They were approved by the Board on 25 May 2005 and signed on its behalf by:-

TAREK BEN HAILIM,

The annexed notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 June 2004 to 31 December 2004

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, the Charities SORP (Statement of Recommended Practice: "Accounting and Reporting by Charities published in October 2000") and the Financial Reporting Standard for Smaller Entities (effective June 2002).

The effects of events relating to the period ended 31 December 2004 which occurred before the date of approval of the financial statements by the Board has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 December 2004 and the results for the period ended on that date.

Company status

Arab Learning Initiative is a company limited by guarantee. 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.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes. All the income in the year was unrestricted.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources Expended

All expenditure is accounted for on an accruals basis.

2. TRUSTEES AND STAFF

The Company employed no staff in the period.

During the year, the Trustee received no remuneration nor reimbursement of expenses.

3. RELATED PARTIES

Mr Tarek Ben Halim, the Trustee of the Charity, donated £10,000 to the Charity to be used for general purposes. He also funded the £19,600 cost of two consultants, researching the establishment of the Charity's operations in Egypt.