

COMPANY REGISTRATION NUMBER: 05314721
CHARITY REGISTRATION NUMBER: 1112388

The Arab Anti-Corruption Organisation
Company Limited by Guarantee
Unaudited Financial Statements
31 December 2020

R C PATEL FCA, FCCA
Chartered accountant
7 Redbridge Lane East
Redbridge, Ilford
Essex IG4 5ET

The Arab Anti-Corruption Organisation

Company Limited by Guarantee

Financial Statements

Year ended 31 December 2020

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The Arab Anti-Corruption Organisation
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report)
Year ended 31 December 2020

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 December 2020.

Reference and administrative details

Registered charity name	The Arab Anti-Corruption Organisation
Charity registration number	1112388
Company registration number	05314721
Principal office and registered office	7 Redbridge Lane East Ilford Essex IG4 5ET

The trustees

Dr A Fakhro
Dr T Kanaan (Director)
A M Al-Nibari (Director)
A Obeidat
Dr T Abu Gazala
Dr D Khairallah (Resigned 22 March 2020)
Dr G Matar
Dr B Tabbara (Director)
Dr H Haidar (Director)
Dr L Kamhawi (Director)
Mrs M Saade
Mr S Jallad
Mrs A Makhour
Mr A H Chaaban
Dr (Mrs) A Grami

Company secretary	Dr H Haidar
Independent examiner	R C Patel, FCA FCCA 7 Redbridge Lane East Redbridge, Ilford Essex IG4 5ET

Structure, governance and management

The Arab-Anti Corruption Organisation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 16 December 2004 as amended on 15 February 2010. It is registered as a charity with the Charity Commission.

The Arab Anti-Corruption Organisation
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 31 December 2020

Structure, governance and management *(continued)*

The charity is structured along the following lines:

- 1) A Board of Trustees that includes a number of scholars and public figures, acting as the governing body.
- 2) A Board of Directors charged with the management responsibility of the charity, according to policy directives drawn and approved by the Board of Trustees.

TRUSTEES

The Trustees are appointed for life. When the need arises, new trustees are elected by the directors.

Trustee induction and training

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and the decision making processes and recent and projected financial performance of the charity.

RISK MANAGEMENT

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to monitor and control these risks to mitigate any impact they may have on its activities.

Objectives and activities

The charity seeks to promote good governance and democratic values in the Arab world. The principal activity of the charity during the period was the advancement of public education in the context of promoting Democracy in Arab Society by:

- (a) undertaking, commissioning, promoting and publishing research into all aspects of corruption in Arab public life and its effect of people's lives;
 - (b) promoting awareness of the public and interest in the importance of anti-corruption activities and the role of Arab citizens in exposing, preventing and eliminating corruption;
 - (c) promoting awareness of the importance of transparency, free exchange of ideas and information, democracy, good governance and public accountability preventing and eliminating corruption;
- and
- (d) identifying structural deficiencies in the systems of accountability in Arab governments.

The Arab Anti-Corruption Organisation

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2020

Achievements and performance

Our activities during the past few years have been hugely reduced during the past two years because of the deteriorating security situation in our area of operations, namely the Middle East and North Africa (MENA area).

The year 2020 was particularly difficult because of the advent of the Corona virus (Coved19) which prohibited travel, physical contact and consequently rendered our activities virtually non-existent.

The Trustees hope that the regional environment will improve so far as security is concerned and that the present pandemic will be defeated to allow the prevalence of some normality that will permit us to resume our normal activities.

Financial review

The results for the year are indicated on the Statement of Financial Activities on page 7.

Reserves

The charity is dependent upon the support of its well wishers. It is the trustees' intention to build up reserves to a level which will permit continuation of the charity's activities for a period of at least 6 to 12 months without seeking further contributions or donations.

Plans for future periods

As reported previously, AACO's activities are currently largely suspended while the Trustees attempt to improve its financial situation to enable it to resume activities efficiently and securely. However, the recent difficult issues coupled with the current Covid-19 outbreak do not bode well for the future.

Nevertheless, the Trustees will exercise all efforts necessary to reactivate the organisation to its full capacity, once sufficient and sustained funding are in place.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The Arab Anti-Corruption Organisation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2020

The trustees' annual report was approved on ..22/10/21.... and signed on behalf of the board of trustees by:

Dr H Haidar (Director)
Trustee



The Arab Anti-Corruption Organisation

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of The Arab Anti-Corruption Organisation

Year ended 31 December 2020

I report to the trustees on my examination of the financial statements of The Arab Anti-Corruption Organisation ('the charity') for the year ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).


The Arab Anti-Corruption Organisation

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of The Arab Anti-Corruption Organisation *(continued)*

Year ended 31 December 2020

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



R C Patel, FCA FCCA
Independent Examiner

7 Redbridge Lane East
Redbridge, Ilford
Essex IG4 5ET

22 October 2021

The Arab Anti-Corruption Organisation

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2020

		Year to 31 Dec 20		Period from 1 Jul 19 to 31 Dec 19
		Unrestricted funds	Total funds	Total funds
	Note	\$	\$	\$
Income and endowments				
Donations and legacies	5	89,374	89,374	68,454
Investment income	6	265	265	1,260
Other income	7	—	—	923
Total income		<u>89,639</u>	<u>89,639</u>	<u>70,637</u>
Expenditure				
Expenditure on raising funds:				
Costs of raising donations and legacies	8	89,545	89,545	63,295
Costs of other trading activities	9	—	—	1,883
Expenditure on charitable activities	10,11	1,500	1,500	2,038
Total expenditure		<u>91,045</u>	<u>91,045</u>	<u>67,216</u>
Net (expenditure)/income and net movement in funds		<u>(1,406)</u>	<u>(1,406)</u>	<u>3,421</u>
Reconciliation of funds				
Total funds brought forward		(14,785)	(14,785)	(18,206)
Total funds carried forward		<u>(16,191)</u>	<u>(16,191)</u>	<u>(14,785)</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 10 to 18 form part of these financial statements.

The Arab Anti-Corruption Organisation

Company Limited by Guarantee

Statement of Financial Position

31 December 2020

	Note	2020 \$	2019 \$
Fixed assets			
Tangible fixed assets	17	6,814	4,912
Current assets			
Debtors	18	7,286	6,438
Cash at bank and in hand		42,703	46,428
		<u>49,989</u>	<u>52,866</u>
Creditors: amounts falling due within one year	19	<u>1,500</u>	<u>1,069</u>
Net current assets		<u>48,489</u>	<u>51,797</u>
Total assets less current liabilities		<u>55,303</u>	<u>56,709</u>
Provisions			
Pensions and similar obligations	20	71,494	71,494
Net liabilities		<u>(16,191)</u>	<u>(14,785)</u>
Funds of the charity			
Unrestricted funds		(16,191)	(14,785)
Total charity funds	21	<u>(16,191)</u>	<u>(14,785)</u>

For the year ending 31 December 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The statement of financial position
continues on the following page.

The notes on pages 10 to 18 form part of these financial statements.

The Arab Anti-Corruption Organisation

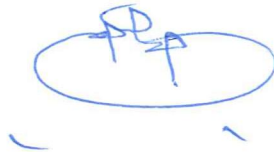
Company Limited by Guarantee

Statement of Financial Position *(continued)*

31 December 2020

These financial statements were approved by the board of trustees and authorised for issue on
22/10/21 and are signed on behalf of the board by:

Dr H Haidar (Director)
Trustee



The notes on pages 10 to 18 form part of these financial statements.

The Arab Anti-Corruption Organisation

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 7 Redbridge Lane East, Ilford, Essex IG4 5ET.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements are prepared in U S dollar, which is the functional currency of the entity.

Exchange rate at 31 December 2020:

US\$1 = Lebanese £1,507.50 (31 December 2019 - LBP 1,507.50)

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Arab Anti-Corruption Organisation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	Various rates up to 100 %
Equipment	-	Various rates up to 50 %

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

4. Limited by guarantee

Trustees' liability is limited to UK £1 each (equivalent to US \$1.30 at the year end rate).

5. Donations and legacies

	Unrestricted Funds \$	Total Funds 2020 \$	Unrestricted Funds \$	Total Funds 2019 \$
Donations	89,374	89,374	68,454	68,454

The Arab Anti-Corruption Organisation

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

6. Investment income

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	\$	\$	\$	\$
Bank interest receivable	265	265	1,260	1,260

7. Other income

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	\$	\$	\$	\$
Sales of production	—	—	750	750
Other operating income	—	—	173	173
	—	—	923	923

8. Costs of raising donations and legacies

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	\$	\$	\$	\$
Costs of raising donations and legacies	89,545	89,545	63,295	63,295

9. Costs of other trading activities

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	\$	\$	\$	\$
Project: Fighting Corruption and Enhancing Transparency	—	—	941	941
Sundry office expenses	—	—	942	942
	—	—	1,883	1,883

The Arab Anti-Corruption Organisation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

10. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	\$	\$	\$	\$
Support costs	<u>1,500</u>	<u>1,500</u>	<u>2,038</u>	<u>2,038</u>

11. Expenditure on charitable activities by activity type

	Support costs	Total funds 2020	Total fund 2019
	\$	\$	\$
Governance costs	<u>1,500</u>	<u>1,500</u>	<u>2,038</u>

12. Analysis of support costs

	Analysis of support costs activity 1	Total 2020	Total 2019
	\$	\$	\$
Depreciation	<u>1,098</u>	<u>1,098</u>	<u>567</u>

13. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):	2020	2019
	\$	\$
Depreciation of tangible fixed assets	<u>1,098</u>	<u>567</u>

14. Independent examination fees

	Year to 31 Dec 20	Period from 1 Jul 19 to 31 Dec 19
	\$	\$
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>500</u>	<u>500</u>

The Arab Anti-Corruption Organisation

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Notes to the Financial Statements (continued)

Year ended 31 December 2020

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	Year to 31 Dec 20	Period from 1 Jul 19 to 31 Dec 19
	\$	\$
Wages and salaries	<u>25,035</u>	<u>26,677</u>

The average head count of employees during the year was 2 (2019: 1). The average number of full-time equivalent employees during the year is analysed as follows:

	2020 No.	2019 No.
Administration staff	<u>1</u>	<u>1</u>

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

16. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

17. Tangible fixed assets

	Land and buildings \$	Fixtures and fittings \$	Equipment \$	Total \$
Cost				
At 1 January 2020	705	2,851	10,808	14,364
Additions	<u>3,000</u>	<u>—</u>	<u>—</u>	<u>3,000</u>
At 31 December 2020	<u>3,705</u>	<u>2,851</u>	<u>10,808</u>	<u>17,364</u>
Depreciation				
At 1 January 2020	164	1,759	7,529	9,452
Charge for the year	<u>35</u>	<u>100</u>	<u>963</u>	<u>1,098</u>
At 31 December 2020	<u>199</u>	<u>1,859</u>	<u>8,492</u>	<u>10,550</u>
Carrying amount				
At 31 December 2020	<u>3,506</u>	<u>992</u>	<u>2,316</u>	<u>6,814</u>
At 31 December 2019	<u>541</u>	<u>1,092</u>	<u>3,279</u>	<u>4,912</u>

The Arab Anti-Corruption Organisation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

18. Debtors

	2020	2019
	\$	\$
Other debtors	<u>7,286</u>	<u>6,438</u>

19. Creditors: amounts falling due within one year

	2020	2019
	\$	\$
Accruals and deferred income	<u>1,500</u>	<u>1,069</u>

20. Provisions

	Pensions and similar obligations \$
At 1 January 2020 and 31 December 2020	<u>71,494</u>

21. Analysis of charitable funds

Unrestricted funds

	At 1 January 20 20	Income	Expenditure	At 31 December r 2020
	\$	\$	\$	\$
General funds	<u>(14,785)</u>	<u>89,639</u>	<u>(91,045)</u>	<u>(16,191)</u>

	At 1 July 2019	Income	Expenditure	At 31 December 2019
	\$	\$	\$	\$
General funds	<u>(18,206)</u>	<u>70,637</u>	<u>(67,216)</u>	<u>(14,785)</u>

The Arab Anti-Corruption Organisation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

22. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2020
	\$	\$
Tangible fixed assets	6,814	6,814
Current assets	49,989	49,989
Creditors less than 1 year	(1,500)	(1,500)
Provisions	(71,494)	(71,494)
Net liabilities	(16,191)	(16,191)

	Unrestricted Funds	Total Funds 2019
	\$	\$
Tangible fixed assets	4,912	4,912
Current assets	52,866	52,866
Creditors less than 1 year	(1,069)	(1,069)
Provisions	(71,494)	(71,494)
Net liabilities	(14,785)	(14,785)