

**THE JOINT ARAB-BRITISH CHAMBER OF COMMERCE**

---

Accounts for the year ended 31 March 2007  
together with the chairman's statement, directors' and auditors' reports

Registered number: 1199402

**THE JOINT ARAB-BRITISH CHAMBER OF COMMERCE**

---

**Registered Office:** 43 Upper Grosvenor Street  
London W1K 2NJ

**Auditors:** haysmacintyre  
Fairfax House  
15 Fulwood Place  
London WC1V 6AY

**Solicitors:** Denton Wilde Sapte  
One Fleet Place  
London EC4M 7WS

**Bankers:** HSBC Bank plc  
79 Piccadilly  
London W1J 8EU

Europe Arab Bank plc  
73 Brook Street  
London W1K 4HX

**THE JOINT ARAB-BRITISH CHAMBER OF COMMERCE**

**Contents**

---

	Page
<b>Chairman's statement</b>	1
<b>Directors' report</b>	3
<b>Statement of directors' responsibilities</b>	5
<b>Independent auditors' report</b>	6
<b>Profit and loss account</b>	7
<b>Balance sheet</b>	8
<b>Cash flow statement</b>	9
<b>Notes to the financial statements</b>	10

---

## THE JOINT ARAB-BRITISH CHAMBER OF COMMERCE

### CHAIRMAN'S STATEMENT

---

For a further year there has been a contrast between the economic boom and commercial opportunities in the Arab World, especially in the Gulf, and continuing political and military failure to resolve the region's conflicts. In Palestine and especially in Gaza the level of human misery has seen no alleviation. Iraq remains the scene of bloody conflict, with localised but lethal opposition to the US led coalition forces seeking to impose law and order and a much higher level of internecine killing, most of it borne by civilians, women and children, involving Arab Sunni and Shia factions as well as non-Iraqi elements.

The route to stability in the country is hard to see. It is obscured especially by the loss of credibility of President Bush with heavy defeat at the mid-term elections. His decision, despite this electoral defeat, to seek military success against the insurgency through a military surge in Baghdad looks a desperate throw against the recommendation of the Baker commission. It remains to be seen whether British commitment to Bush's policies will outlast Prime Minister Blair, but no successor would find it easy to distance himself from such key support to the US, even in so unpopular an enterprise and British policy makers continue to speak of keeping British troops in Iraq for several years to come.

Meanwhile the changing political balance in Washington seems to have reduced the risks of US led military action against Syria, following the failure of the Israeli effort to destroy Hizbollah at any cost to the people of Lebanon. The danger of armed intervention to prevent Iran from acquiring nuclear weapon potential remains and may increase towards the end of the Bush Presidency. How the negotiated end to the taking prisoners of 15 British Naval and Marine personnel will affect the balance between confrontation and negotiation remains to be seen, but the need to bring Iran, Syria and Saudi Arabia into future efforts to resolve the region's conflicts is increasingly acknowledged, even in Washington.

This dangerous instability has scarcely had an impact either on the economics of the rest of the region or on British trade in goods and, most notably, services. A much forecast correction in Gulf stock markets was due to more mundane economic factors, and the oil price has stabilised at a level said to discount any likely effect that a conflict with Iran might produce; my own view is less sanguine since the wider political impact might well be as damaging as interruption of Gulf oil shipments. Nor can it readily be argued that British economic interests have suffered discrimination as a result of our close association with US policies; the conclusion of the massive Eurofighter agreement with Saudi Arabia was at more risk from the threat of embarrassing legal proceedings by the Serious Fraud Office than from objections to British policies.

If there is any political light at the end of the tunnel it may come from the active effort of King Abdullah of Saudi Arabia to restart the Peace Process for Palestine; as yet there is no sign of a positive response from Israel, and a lame duck President, let alone one with President Bush's personal commitment, is not likely to set the pace.

Against this background, the Chamber has had a busy and turbulent year. In May 2006 we opened the new premises at 43 Upper Grosvenor Street. They are ideal for the development of the Chamber as a principal centre for Arab British trade and economic focus in London but settling in takes time and effort. Sadly, while this should have been under the direction of the incoming Chief Executive who had joined us in July 2005, Dr. Smadi decided that he should resign for personal reasons and he left in November 2006. Since then we have been engaged in a search for his successor. As I write, we hope to make an appointment at the nomination of the Arab Union of Chambers of Commerce and Industry before the summer break. Meanwhile I must express my deep gratitude, with that of the Board, to Mr. George Asseily for stepping into the breach as Acting Secretary General and also repeat our congratulations to him for his appointment as OBE in recognition of his services to British Lebanese relations.

We have lost the services of a number of other members of staff including Dr. Salah El-Ghobashy, Senior Arab Advisor, whose great experience, knowledge and wisdom are much missed. We have also lost Patrick Forbes whose comparatively short period as Head of External Relations greatly expanded the Chamber's outside contacts both in the UK and in the region.

THE JOINT ARAB-BRITISH CHAMBER OF COMMERCE

CHAIRMAN'S STATEMENT (continued)

In compensation we have one notable new appointment. Robin Lamb, lately British Ambassador to Bahrain, comes as Head of Development with a remit to build up the Chamber's promotion of seminars, forums and business links. Layla Derraz has kept the Chamber active in this field but there are new opportunities including a partnership with Lace Live Limited to run the International Strategic Forums inherited from the late Dermot Graham whose daughter Miranda is now with Lace Live. As the Chamber's income from documentation has reduced there is increasing opportunity and need for diversification under Robin's leadership and that of the incoming Chief Executive.

The Chamber's motto Friendship Through Trade reflects our role in promoting positive and mutually beneficial engagement between Britain and the Arab World. It is easy to take this engagement for granted and thereby forget its scale. Here are some salient numbers.

**1. Visible Trade**

UK Exports of Goods to Arab Countries £8.9 billion (2006)  
Arab Countries Exports of Goods to the UK £6.8 billion (2006)

Of this total, with individual Arab Countries 2006 totals are:

	UK Exports £M	UK Imports £M
Egypt	579	677
Kuwait	447	790
Oman	211	84
Qatar	489	199
Saudi Arabia	1,676	1,310
UAE	3,637	1,101

**2. Trade in Services**

UK Exports of Services to Arab Countries £5.8 billion (2005) of which some £5 billion went to the GCC member states

Arab Countries Services to the UK £2.9 billion (2005) of which some £2 billion was supplied by the GCC member states

Trade in Goods and Services in itself gives only a part of the picture with direct British investment in the GCC at over £3 billion and with perhaps a third of a million UK nationals resident in these six countries. I have no reliable figures for Arab nationals resident in the UK or their economic contribution to the economy, but no one living in central London can ignore the degree to which they are an integral part of the make-up of the capital, just as London is a centre for the Arab financial (including Islamic finance), media and trading world. The report that nationals of the GCC States between them invested over £2 billion in UK commercial property in 2006 gives some perspective on the scale of this presence.

Throughout the year the Chamber has been active in support of this massive two-way shared economic interest. The trade services department has continued to provide documentation, certification and associated facilities to British exporters, albeit at a reducing level. The Chamber's Publications and Website, transformed over the past two years, provide invaluable trade and economic information. Membership of the Chamber has risen and our new premises have enabled us to host a steady stream of networking events. Despite the reduced income from documentation services the Chamber has shown an operating profit over the year before exceptional items, these last including special contributions to the Pension Fund. The opportunity to develop the Chamber in the coming years is there to be taken.

Finally, I should once again thank the Directors of the Chamber and the Trustees of the Chamber's Pension Scheme for their commitment and support during the year. I should also record my gratitude and that of the Board to Lord Denman who has stepped down as Chairman of the Chamber's Charitable Foundation. Charles has overseen the work of the Foundation for nearly 30 years, during which time the Foundation has given some £3 million in support of Arab students, normally postgraduates, in the UK. All of them, like the Chamber, are in Charles' debt and we are fortunate to have an old friend of the Arab World, Francis Witts, to succeed him.



Sir Roger Tomkys  
Chairman  
22 May 2007

## THE JOINT ARAB-BRITISH CHAMBER OF COMMERCE

### DIRECTORS' REPORT

---

The directors present their annual report on the affairs of The Joint Arab-British Chamber of Commerce ('the Chamber'), a company limited by guarantee, together with the accounts and auditors' report for the year ended 31 March 2007.

#### Principal activity and business review

The principal activity of the Chamber continues to be the promotion and development of trade between the Arab countries and the United Kingdom. In particular, the Chamber continues to process commercial documents for exports to Arab countries and provides business services to its Arab and British members. Certification income is derived from activities in the UK.

The Chamber's revenues fell during the year due to a decline in certification income. Document avoidance, EU certificates, globalisation and free trade arrangements are combining to reduce the numbers of documents being processed by the Chamber. The Chamber reacted by reducing costs in the second part of the year, and started work on developing several new revenue streams for the future.

In conjunction with a reduction in the future benefits of the Chamber's final salary pension scheme, the directors authorised the payment of a special contribution of £1,000,005 during the year to reduce the past-service deficit.

At the Board of Directors meeting on 22 May 2007, Dr. Mohammad Ibrahim Tuwaijiri, His Excellency Sheikh Khalifa Bin Jassim Bin Mohammad Al-Thani, Mr. Jaafar Al Hamadani, Mr. Mohammad Al-Masri, Mr. Driss Houat and Mr. Michael Thomas were appointed as directors. At the same meeting, Mr. A. Sehebani, Mr. M. Al-Mana, Mr. K. Abu Ismail, Mr. Kemmou and Mr. A. M. J. Al-Tufaili retired from the Board of Directors and did not seek re-election.

#### Results for the year

The financial results for the year were as follows:

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Revenue reserve, beginning of year	12,481,198	10,439,748
Surplus for the year after taxation	474,562	1,193,050
Other recognised (losses) / gains	(583,689)	848,400
Revenue reserve, end of year	<u>12,372,071</u>	<u>12,481,198</u>

#### Directors

The directors who served during the year were as follows:

Sir Roger Tomkys	Chairman	
Mr. G. Asseily	Acting Secretary-General	
Dr. M Smadi		(retired 15 November 2006)
Mr. A T Al-Ghanim	First Vice Chairman	
The Rt. Hon. Lord Trefgarne	Second Vice Chairman	
Mr. O H Al-Tayer	Third Vice Chairman	
Mr. D.J. Lewendon	Finance Director	
Dr. E. Ghantous		
Sir Alan Munro		
Mr. A. Kassar		(retired 23 May 2006)
Mr. A. Sehebani		
Mr. J. C. Norton		
The Rt. Hon. Lord Prior		
Mr. I. M. Al Jomaih		
Mr. T. J. Stone		
Mr. S. A. Bird		
Mr. A. Bruce		
Mr. C. M. Chamsi Pasha		
Mr. P. J. Cheshire		
The Rt. Hon. Sir Jeremy Hanley		
Mr. K. Abu Ismail		
Mr. D. F. Maclauchlan		

