



Interpal

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31st December 2019

**Registered Charity No. 1040094
Palestinians Relief and Development Fund**

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LEGAL AND ADMINISTRATIVE INFORMATION

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ANNUAL REPORT OF THE TRUSTEES

The Trustees present their report along with their financial statements of the charity for the year ended 31st December 2019. The financial statements have been prepared based on the accounting policies set out in Note 1 of the financial statements and comply with the charity's Trust Deed.

Trustees' Statement:

The COVID-19 pandemic has impacted millions across the world and in our areas of operation, uncertainty and hardship have increased. The Gaza Strip remains under blockade and is struggling to contain the spread of the coronavirus with already limited resources. Lebanon continues to face the aftermath of a deadly blast in Beirut and an economic crisis that is worsening its refugee crisis. Interpal is concerned not only for its beneficiaries, donors and staff but all those struggling with poverty, ill health and barriers to their human rights.

The pandemic is also changing the way in which charities operate and has inevitably impacted Interpal within its areas of operation and in the UK. Our field staff remain dedicated to serving beneficiaries despite the added complications of lockdowns, distributions with social distancing and preventative safety measures. Our UK staff are also adjusting to working from home and conducting vital core activities remotely whilst traditional fundraising activities have been inevitably impacted. Interpal's Board of Trustees greatly appreciates the commitment of its staff and volunteers, whose hard work and strategic thinking has enabled the charity to safeguard its beneficiaries and maintain operations to the best of its ability during these unprecedented times.

It seems unconscionable that during these times of crisis, vital relief and aid are politicised and impeded, however the 'shrinking' of civil society spaces and attempts to prevent aid to Palestinians is part of an ongoing and worrying trend that only serves to divert resources from those in need. Despite this, Interpal's Board of Trustees remains poised to continue to defend the rights of its beneficiaries as well as the organisations that support them.

This year has been one of change and adjustment for the charity both in the larger context and due to ongoing challenges and obstacles, as mentioned in our previous report. Whilst there has been some disruption to our operations, we remain steadfast in our commitment to provide aid to our beneficiaries. In 2019, we were able to raise and deliver £5 million in aid and fund vital projects that will continue to have a long-term impact on communities. The trustees anticipated disruption to operations and loss of banking facilities well in advance and in keeping with this, a transition plan was developed and implemented to safeguard operations and thus our beneficiaries for the foreseeable future. The trustees are pleased to report that the first vital phase of our transition plan is complete and our revised operational structure and delivery mechanism remains functional. The charity's adjustment of its modus operandi continues and whilst we understand and appreciate the reality that these changes are somewhat significant, it is

our position that we have adapted to challenges since the establishment of the organisation and will continue to do so.

We continue to be humbled and overwhelmed by the public support we receive from donors and well-wishers who advocate on our behalf both publicly and privately. We truly appreciate the ongoing commitment and dedication of all our supporters who are adapting to these changes with us, as we have done throughout the years, in order to make a meaningful and positive impact on the lives of so many in our areas of operation.

Interpal's overall aim of supporting Palestinians in need to achieve their basic human rights remains as it has for over a quarter of a decade. Whilst the trustees are concerned with global developments and immediate challenges, we feel confident in the way the charity continues to move forward, safeguarding its beneficiaries as its first priority during this 'new normal' that we all face.

Interpal: Structure, Governance and Management

Interpal is a charity organised, registered, headquartered and operating in the United Kingdom under the supervision of the regulator in Britain, the Charity Commission, as well as government authorities. It delivers aid and other charitable relief to Palestinians, mainly in the West Bank, the Gaza Strip and refugee camps located in Jordan and Lebanon. It is one of the leading British charities providing relief to Palestinians in those areas.

Interpal works with those with a thorough knowledge of the dire humanitarian situation of the Palestinians as well as the complexities and sensitivities of Palestinian society, whether in the West Bank and Gaza Strip, or the refugee camps in Jordan and Lebanon. Interpal and its partners work to provide aid without discrimination of any kind, including race, religion or political affiliation. Since 2010, Interpal has developed its aid delivery mechanism by setting up offices in the field and shifted from "partnership" to "ownership" of projects. The charity has established procedures and operational practices under the scrutiny and with the guidance of the Charity Commission, which are meticulous and comprehensive as outlined in Interpal's: "Relationship and Funding Operations Manual" and "Due Diligence: Policies and Procedures" documents.

Overall management and decision-making rests with the Interpal Board of Trustees. The Executive Committee (ExCo) includes the Chairman as well as the Executive Manager and is mandated and empowered by the Board to act on the latter's behalf where appropriate. The ExCo in turn reports to the Board on all its activities. The Board entrusts the day-to-day management of the charity to the Executive Manager who is assisted by senior members of staff.

Interpal operates according to clear organisational and functional structures with defined roles and responsibilities in respect of governance and management.

Vision, Objectives and Activities

Vision:

- To empower Palestinians to face their challenges and hardships in our principal areas of operation: the West Bank, Gaza Strip and the refugee camps in Jordan and Lebanon.

Objectives:

- Relieve economic hardship faced by Palestinians.
- Provide Palestinians with protection from the elements.
- Promote good health within the Palestinian community.
- Assist in the advancement of education.
- Provide social welfare facilities and services in co-operation with other charitable organisations.
- Raise awareness about the causes of the humanitarian crisis affecting Palestinians, including poverty, and how to alleviate it.

Activities:

Interpal engages in charitable works in the following five defined sectors to achieve its objectives:

- **Humanitarian**, which includes the provision of relief and emergency aid in the form of clean water, food parcels, shelter, financial assistance through the One-to-One Child Sponsorship Programme and seasonal support during the Ramadan and Qurbani periods.
- **Education** through the sponsorship of needy students and grants to educational institutions and projects.
- **Medical** by providing medical supplies, medical and rehabilitation equipment — often as part of the provision of Emergency Aid — and subsidy for treatment costs, as well as supporting rehabilitation programmes.
- **Community Development**, which includes promoting development through community initiatives such as capacity building for local organisations, and also includes job creation and vocational programmes.
- **Advocacy & Awareness** by engaging in various advocacy and community events throughout the UK as part of the worldwide effort to raise awareness about the humanitarian crisis affecting Palestinians.

How Interpal Works

Interpal is a charity registered in the UK with its Head Office in London and branch offices in Birmingham, Leicester, Bradford, Bolton, Manchester, Dewsbury, Edinburgh. Interpal has a field office in the Gaza Strip and similar offices in Lebanon and Jordan. Interpal works with partners in the West Bank, which may when necessary act on its behalf to distribute financial and other assistance to a wide range of beneficiaries. Interpal funds projects that are delivered by third parties which are consistent with its aims and objectives. Interpal also funds projects directly through the involvement of the charity's personnel. All of Interpal's work is carried out in accordance with the aims and objectives contained in its Trust Deed.

Interpal's principal area of work focuses on humanitarian aid (relief & emergency aid), education, community development, health & medical, and advocacy & awareness. By engaging in fundraising campaigns and events, Interpal is able to raise awareness of issues concerning Palestinians and the necessary funds to support its work in its areas of operations.

Board of Trustees

The Interpal Board of Trustees bears the responsibility for formulating and implementing the charity's policies. It also oversees overall management. In addition to powers such as providing grants to help alleviate poverty, the trustees can establish and support development and rehabilitation projects, encourage employment and self-dependency, and construct, maintain and support holy places.

Recruitment and Appointment of Trustees

The Trust Deed provides that, "Every future Trustee shall be appointed by a resolution of the trustees passed at a special meeting called by the Chairman or any two trustees upon not less than twenty-one days' notice being given to the other trustees of the appointment of a new trustee." (Article E).

Induction and Training of Trustees

The trustees are encouraged to undergo ongoing training to fulfil their responsibilities and development. Upon induction, trustees are provided with adequate training and are kept well informed of the ongoing fluid situation in the charity's key areas of operation. They are also kept informed of any organisational or structural changes in keeping with good governance.

To ensure that the trustees are up to date with recent Charity Commission guidelines and expectations of trustees, they are provided with regular updates, releases and training materials to review and action.

Risk Management

Interpal continues to have relevant operations procedures in place as outlined in its Relationships and Funding Operations Manual. All significant activities undertaken are subject to a risk review as part of the initial project assessment and implementation. Major risks are identified and ranked in terms of their potential impact. The trustees review the risks on an ongoing basis and satisfy themselves that adequate systems and procedures are in place to manage the risks identified. Where appropriate, risks are covered by insurance.

With the continuing deterioration of the political situation in Interpal's areas of operations, the charity retains its flexibility to respond to emergencies whenever possible, depending on the funds available. Due to the 2003 US designation of Interpal, the trustees are alert to all subsequent risks and allegations, and are especially diligent in their practices. The trustees are also very sensitive with whom the charity chooses to work and associate with. In line with this, the trustees have enhanced their governance by engaging legal, financial and PR consultants.

Public Benefit

The trustees confirm that Interpal has complied with and recognises the importance of the Charities Act 2011 in reference to public benefit. Interpal has referred to the Charity Commission's guidance and has due regard to public benefit when developing, reviewing and implementing the charity's vision, aims, objectives, and future strategy. Of note, Interpal provides a trusted avenue through which people can support the Palestinian cause, which not only benefits Palestinians in need but allows supporters to increase knowledge and empowerment.

Grant-making Policies

Interpal has developed its own delivery mechanism to deliver aid and, where grants are made, the process is governed strictly by partnership and funding agreements. Interpal's decision to allocate funds is determined solely on the basis of need, the individual merit of each project and the ability of the NGO applying for the grant (if any) to deliver. All documentation, including the Funding Agreement, is revised periodically to take into consideration changes in the law and the situation in Interpal's areas of operation.

Volunteers

Interpal's volunteers remain an integral part of how the charity operates and achieves its goals. Interpal continued to encourage volunteers to increase their engagement in fundraising activities through online activities and local events. During the year hundreds of volunteers worked with Interpal across our branches and helped with events, office administration, radio live appeals and fundraising challenges. Interpal undertakes the management and training of all of its volunteers in-house and is indebted to them for their efforts during the course of the year.

Gifts-in-Kind

Gifts in kind are recognised and capitalised at the value to the charity where this can be quantified.

Remuneration Policy

Interpal's trustees have set up a pay scale, with the help of professional advice. This takes into account the importance of striking a balance between being able to attract and keep skilled staff and the responsibility of using funds to support Palestinians in need, as per the expectations of our donors. Staff are appraised and assessed on their performance, and all pay increases are based on these annual reviews and appraisals.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE FOR 2019

External Factors Affecting Achievement

Interpal continued to manage the many challenges that arise from working in such a politically sensitive region. Aid delivery in Interpal's areas of operation is fraught with obstacles, including ongoing access restrictions and procedural constraints as a result of local and international political agendas in the region.

The impact of the 2003 designation continued to cause major challenges for Interpal and this was further exacerbated by actions taken by anti-Palestinian interest groups working to malign and prevent organisations working for Palestinians.

Anti- Palestinian groups were very active in their targeting of NGOs and advocacy groups working for Palestinian human rights in 2019. Interpal's online donation facilities had already been withdrawn in 2018 as a result of external lobby group pressures on banks and third-party financial institutions, reflecting the sector's increasing trend towards more risk-averse behaviour.

Tactics used by these groups included accusations of anti-Semitism, 'lawfare' and threats to service providers and suppliers. Pressure from these lobbyists resulted in a direct threat to the charity's banking facilities and other services, with Interpal being particularly vulnerable due to its 2003 designation. Due to the political climate and ongoing pressure from such groups, there was much less will from service providers to counteract their claims and they were more likely to acquiesce to their demands. Such developments continue to shrink the space for UK charities operating in areas such as the occupied Palestinian territories.

Despite the obstacles, Interpal continued with its development and transition plan and marked its 25th anniversary. The charity was able to proceed with safeguarding its work with donors and beneficiaries and serving their best interests.

Strategic Objectives for 2019:

- **Objective 1:**
Continue to provide practical aid to the occupied Palestinian Territories, Jordan and Lebanon.
- **Objective 2:**
Adjust processes in line with the in-depth operations review and proceed with the directed strategic restructure of operations to safeguard Interpal as a going concern.

➤ **Objective 3:**

Provide all support required to enable strategic partners to develop in order to safeguard and continue the process of effective and efficient aid delivery.

➤ **Objective 4:**

Maintain and enhance Interpal's reputation as a specialist organisation within the sector, primarily through continuing to seek legal recourse and work with relevant authorities to address challenges to the organisation and its trustees

Objective 1: Continue to provide practical aid to the occupied Palestinian Territories, Jordan and Lebanon.

Interpal's programmes continued to respond to the ongoing humanitarian crises in the region as well as support advocacy and awareness-raising in the UK. Working with the Sustainable Development Goals in mind and reacting to the specific needs on the ground, the charity collaborated with specialist partners and focused on bridging gaps in care and multi-dimensional aid.

Interpal expended over £5.7 million across its core sectors of work to aid vulnerable beneficiaries in 2019, which included orphans, the elderly, widows and persons with disabilities. Highlights of our work throughout the year were disseminated on our website and social media pages as well as monthly newsletters and campaign updates. The charity also produced a special brochure to celebrate its 25th anniversary. This can be viewed [here](#).

Throughout the year, Interpal continued to implement its short-term and ongoing programmes and projects in its chosen sectors of intervention as follows:

Humanitarian Aid:

Humanitarian Aid remains Interpal's largest sector of work; 65% of the total charitable expenditure was expended on various programmes related to helping Palestinians achieve an adequate quality of life and alleviate poverty.

• **The Social Welfare and "One-to-One Child Sponsorship" Programmes:**

The "One to One Child Sponsorship" Programme and the Social Welfare Programme remain the charity's largest humanitarian aid programmes.

Over 6,000 children are supported annually via the one-to-one programme, whilst further needy families (not linked to a particular donor) were supported through the Social Welfare Programme. An excess of £1.2 million was expended on the Social Welfare Programme in 2019.

Both these programmes provided an essential lifeline for struggling families and benefitted families in the form of ongoing or seasonal aid. Beneficiaries are

supported by a team of social workers and administrative staff in our areas of operation, ensuring their needs are assessed and addressed. Safeguarding policies are reviewed to ensure the protection of children.

The programme also allows for communication between beneficiaries and donors, building a sense of solidarity and rapport, with many donors providing additional 'gift payments' for their sponsored child. Due to the popularity of the programme, the stories of sponsored children and families are regularly shared with donors and supporters via social media and our websites.

- **Seasonal Aid: Ramadan and Eid ul-Adha/Qurbani**

In line with providing humanitarian aid and seasonal support, the Ramadan campaign is Interpal's biggest annual fundraising effort and focuses on performing a religious duty for the charity's donors whilst also providing timely support for beneficiaries. In 2019, Ramadan projects included the distribution of food parcels, financial aid and hot Iftar meals. Fresh produce was also provided for families to support better nutrition, as well as hygiene kits. A delegation of Interpal staff from the UK was also present in Gaza during this time to support and monitor the distributions. The charity's Ramadan programme supported over 8,000 families across its areas of operation.

In 2019, Interpal utilised the occasion of Eid ul-Adha to provide food and financial aid to over 4,000 families. Our Eid ul-Adha/Qurbani programme allows donors to complete a religious obligation whilst supporting vulnerable beneficiaries. This included providing fresh meat, fresh fruit and vegetables as well as cash aid. The programme also supports local farmers through the purchase of meat and food and helps supplement their incomes in difficult economies. In addition, the programme also provides frozen meat to beneficiaries at a later date. The aim of the programme is to address food insecurity and create a sense of happiness during a religious festival.

Interpal's field offices built on feedback from previous years to ensure that the aid provided was both effective and what is most needed. The response from beneficiaries and from donors to the aid provided was overwhelmingly positive and highlights the ongoing need and benefit of Interpal's seasonal distributions.

- **Winter Relief and Emergency Responses**

Winter months are known for increasing the suffering of refugees who often live in inadequate shelters and are unable to access enough food to stay healthy. Lebanon saw a particularly harsh winter and Interpal's field office provided vital winter survival aid such as gas, clothing and home 'winterisation' improvements. Over 700 people benefited from this in some of the most vulnerable refugee communities across the country.

An aerial assault took place in Gaza in November 2019 which killed over 24 people and damaged dozens of homes or destroyed. Interpal responded by providing emergency financial support, food vouchers and materials to improve temporary housing. Over 200 families were supported through this response.

Community Development:

Community Development accounts for over £1.2 million of Interpal's charitable expenditure, and the focus is on supporting communities through long term support and addressing societal concerns such as unemployment and a lack of adequate infrastructure.

- **Capacity Building in the Community and The Job Creation Programme**

The Job Creation Programme remains a strategic long term commitment for the charity. With unemployment sometimes as high as 69% for young people in the Gaza Strip, the Programme provides stable employment, on the job training and confidence building for people struggling to survive with limited opportunities. Interpal supported graduates and other staff in specified fields, as well as its outreach drivers and over 16 social workers in Lebanon that support our sponsored children. Smaller donor-driven grants were also provided to support income generation projects for families. Interpal endeavours to ensure that both men and women are equally represented in the project and participants are consulted throughout the process regarding the types of work would that would be best suited to benefit them and how they would like it to benefit others.

To empower Palestinians and increase the capacity of community organisations to provide support and services, Interpal provided grants for operational support and running costs for smaller charities.

- **Improving Living Conditions in Gaza**

Interpal continued to support the improvement of living spaces for struggling families via the 'Karamah Programme'. Homes for families were rehabilitated and furnished to be safe and improve their quality of life in the Gaza Strip. The charity also provided immediate support in the form of nylon tarping for damaged homes to 72 families.

In addition to this, the charity continued to fund the improvement of clean water facilities. A desalination plant was established in Khan Younis and maintenance for other desalination units. These provided clean water access for over 15,000 people and help improve public health.

- **The Outreach Bus Programme**

The Outreach Bus Programme continued to be a key fixture in Interpal's project portfolio for community development in 2019, supporting over 300 beneficiaries with

mobility needs in Gaza, as well as employing eight drivers. It is an example of a very well received project locally, with excellent feedback from beneficiaries, empowering them to continue education or employment and not be held back due to disability or poverty. It is also a project which incorporates multi-dimensional aid by creating jobs for the drivers and encouraging institutions to consider accessibility and mobility of students, referring them to the service. A special case study on the impact of the programme can be read [here](#).

Advancement of Education:

With the humanitarian situation worsening in Interpal's areas of operation, there has also been a negative impact on the opportunities and ambition of young Palestinians. Supporting educational institutions and students is a key focus on the charity and over £210,000 was expended for the advancement of education.

- **Supporting Students with Special Needs**

A key focus of Interpal's education programmes was addressing difficulties faced by children with special needs and disabilities. The charity helped improve learning facilities for UNRWA's Rehabilitation Centre for the Visually Impaired as well as supporting running costs for two specialist schools working with children with developmental and neurological disabilities. These projects benefited over 300 children that are reliant on these spaces to learn and develop as well as dozens of teachers and assistants.

- **The Student Aid Programme and Supporting University Students**

Interpal supported over 500 students across the occupied West Bank with financial aid. In addition to this, Interpal continued to provide ongoing support for university students to cover unpaid fees and attain their graduation certificates. Over 200 students were provided aid via this project.

Medical Aid:

Across Interpal's areas of operation, healthcare services remain poorly equipped and under-resourced. Interpal focused on supporting hospitals and health care facilities with vital equipment and resources to improve their ability to diagnose and treat patients. In addition to this, the charity also provided support to individuals needing eye treatments and those requiring hearing aids or assistive devices.

- **Providing Diagnostic Equipment and Vital Devices**

Gaza's healthcare facilities are often old and poorly maintained due to a lack of parts or expertise or damaged. To improve the quality of care offered to patients, Interpal funded digitising the X-ray machine at a large hospital. This improved diagnostic capacity and will benefit over 500 patients every month.

The charity also provided a vital 4D ultrasound device for the Al Karama Hospital which will serve over 800 pregnant women as well as providing hearing aids, wheelchairs and artificial limbs for over 50 special needs patients.

- **Providing Support for Palestinian Elders**

Elderly Palestinians make up approximately 4% of the population of the Gaza Strip and face many varying challenges due to their age and health conditions. Interpal provide vital support for over 342 elders via the provision of hygiene items, assistive devices, financial aid, food aid and psychological support. The project also supported specialist staff to provide them with care and support.

Advocacy and Awareness Campaigns

Advocating for the rights of Palestinians and raising awareness about the humanitarian crises facing Palestinian refugees remained a key part of the charity's activities in 2019. Over £351,000 was expended to support advocacy and awareness.

Activities included fundraising campaigns, events, delegations to the field and utilising social media and newsletters. The charity also continued to participate in various spaces such as the Palestine Platform, BOND and other special working groups related to aid work in Palestine and issues concerning charities in the UK.

As the year marked Interpal's 25th anniversary, a special symposium and book launch was held in April 2019, for 'Faith, Hope and Charity: The Interpal Story'. The book details the origins, struggles and success of the charity since 1994. There was also a discussion by esteemed guests, including the Palestinian Ambassador Dr Husam Zumlot, journalist Peter Osborne and former Director General of the Foreign Ministry of Israel Dr Alon Liel. The event was well received and Peter Osborne published an [excellent article](#) about Interpal shortly after.

A special 25th anniversary gala event was also held in November 2019, which was attended by supporters of Interpal and highlighted the charity's success whilst also fundraising money for ongoing projects.

Interpal was also involved in the second Palestine Expo which was held in London in July 2019. The event brought together various groups working to support Palestine with an aim to educate and engage the general public. Interpal had its own stall and also held two seminars relating to its work. Over 10,000 people attended the two-day event, which took place at the Olympia in Earl's Court.

A number of delegations to the field also took place in 2019. Despite the restrictions and difficulties, our vice-chair and other staff visited Gaza in February and also in Ramadan to monitor projects, support distributions and visit partners. You can read about his visit [here](#).

A special delegation to Lebanon also took place in April 2019 to collect interviews, case studies and highlight our work. It was attended by a social media influencer and Muslim TV personality.

Objective 2: Adjust processes in line with the in-depth operations review and proceed with the directed strategic restructure of operations to safeguard Interpal as a going concern.

In response to ongoing challenges faced by the charity, a transition plan was drafted and executed across all departments. This plan included a focus on adapting administration, fundraising and communications to the charity's operational strengths.

A significant amount of progress has been made in the transition plan to ensure Interpal continues as a going concern. This has included adapting how the charity works to support Palestinians, with a focus on awareness-raising as well as grant allocations and administrative support to reputable and trusted charities to facilitate ongoing projects in the field.

Operations have continued as per the revised *modus operandi* to ensure that beneficiaries and donors to receive the service they expect and the charity's brand remains well regarded.

Objective 3: Provide all support required to enable strategic partners to develop in order to safeguard and continue the process of effective and efficient aid delivery.

In line with Interpal's own strategic plans, the charity has used its expertise and knowledge of best practice to provide support to its strategic partners in terms of operations, IT and infrastructure, governance and fundraising.

In line with the trustees' decisions and the ongoing mission, Interpal will ensure that it is ready and able to support other organisations working for Palestine through its knowledge and expertise in the coming years whilst it continues its own focus on raising awareness and advocacy.

Objective 4: Maintain and enhance Interpal's reputation as a specialist organisation within the sector, primarily through continuing to seek legal recourse and work with relevant authorities to address challenges to the organisation and its trustees

Interpal marked its 25th anniversary in 2019, and the resilience of the charity and its efficacy in providing humanitarian projects in the field is a reflection of its operational competence and the loyalty of its donors.

The trustees were successful in addressing case of libel against them in 2019, winning their legal battles with two newspapers and ensuring any reputational harm was mitigated. In addition to this, the trustees liaised with the Charity Commission regarding its ongoing issues and any potential impact to its charitable status.

Strategic Direction for 2020:

Objective 1:

Continue to support the provision of humanitarian aid to the occupied Palestinian Territories, Jordan and Lebanon as well as advocating for the human rights of Palestinians.

Objective 2:

Continue the strategic transition of the charity and restructure of its operations to safeguard Interpal as a going concern in light of ongoing banking difficulties

Objective 3:

Increase and enhance practical support and expertise provided to strategic partners to safeguard and continue the process of effective and efficient aid delivery

Objective 4:

Maintain Interpal's reputation as a specialist organisation within the sector and continue to seek legal recourse to address its own challenges and those faced by organisations working to support Palestinian human rights.

FINANCIAL REVIEW

Income

Interpal's total income for 2019 amounted to £5,542,114 (2018: £7,037,490); a significant decrease of income from the previous year can be attributed to the loss of credit card facilities.

Donations amounted to 99% of the total income, all raised from within the UK, highlighting the ongoing loyalty and support of donors and Interpal's fundraising activities in 2019.

Expenditure

The total amount expended in 2019 was £6,195,312 (2018: £6,470,191). Over 93% of the total expenditure was spent on charitable activities, which amounted to £5,733,098 (2018: £5,867,819).

Humanitarian aid, namely food and financial assistance, continues to be the principal category of allocation of funds, representing 65% of the total charitable expenditure; 3% was expended in support of Medical Aid, 22% on Community Development Programmes, 4% in support of Education and 6% on Advocacy and Awareness programmes.

In total, 76% of the total charitable allocation was expended in the West Bank and Gaza Strip, 6% in Jordan, 10% in Lebanon and 8% in the UK and other areas.

The sum of £462,214 (2018: £602,372) was spent on raising funds which represents 7% of the total expenditure. This significant decrease in expenditure is mainly due to no costs related to card processing and reduced operational costs. See Note 6 for details.

All the indirect and overhead operational costs of the central function to ensure delivery of the charity's objectives have been apportioned to charitable and fundraising activities in proportion to the direct expenditure incurred (see notes 8 and 9).

Investment Policy

The trustees retain the authority to invest in such assets as they see fit. In practice, investment activity is restricted to the investment of surplus cash funds, consisting of short-term deposits placed with the charity's bankers.

Reserves and Funds Carried Forward

Interpal's policy is that no more than 15% of funds are rolled over for expenditure in the following financial year. This is to cover costs while income is being generated by the charity's normal activities during the next year. In 2019, the net expenditure amounted to £653,198 (2018: £567,299-net income) which meant the total expenditure exceeded the total income for the year by this amount.

In line with the policy, any funds that Interpal has been unable to transfer to its principle areas of operation in a safe and reliable manner have been kept secure and intact until the situation changes. The blockade of the Gaza Strip, ongoing challenges of operating in the area and Interpal's banking difficulties in effect since 2007 have created a backlog of transfers. Yet Interpal takes the responsibility of transferring the generous contributions of its donors very seriously and therefore takes steps to ring-fence funds allocated for specific projects. All things considered, these are only transferred when the charity is satisfied that safe and secure delivery can take place. The charity's financial records state that unrestricted funds of £4,751,846 are carried forward into 2020. It is of note that 25% of this total amounting to £1,194,196 has been delivered successfully to trust partners to be expended in due course in accordance with the trustees' wishes as per the decision-making process.

Restricted and Unrestricted Funds

Interpal's income is best described as unrestricted funds, expendable at the discretion of the trustees in furtherance of the objects of the charity. Interpal has a system to record the specifics of the donations received; this is for administrative purposes in order to facilitate the proper dispensation of the moral obligations of the Trust, as well as the religious obligations of its donors.

Going Concern

The trustees consider the loss of card processing services and the loss of access to banking facilities in May 2020 to be key material uncertainties that may affect the Trust's ability to continue as a going concern. Whilst acknowledging these as material uncertainties, the trustees have reviewed the organisation's financial position, level of reserves, financial and risk management and are satisfied that the funds available are sufficient for the year ahead. The trustees continued to implement the transition plan to safeguard the charity's beneficiaries and its legacy. This refocus and adapting of the charity on supporting Palestinians in need via its expertise and as a trusted source of information and support will ensure the continuity of the charity. The financial arrangements in place meet any immediate operational requirements and in line with the revised modus operandi there are minimal projected costs in the future. It should be noted that all current assets have been safeguarded and are being delivered as per our usual charitable expenditure process. The Board of Trustees continues to adopt the going concern basis in preparing the accounts.

Statement of Trustees' Responsibilities in Relation to the Financial Statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The 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 state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping sufficient accounting records that 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 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

The trustees confirm that as far as they are aware, there is no relevant audit information of which the charity's auditors are unaware. Each of the trustees has confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

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



Dr Essam Mustafa - Board of Trustees
Date: 30 October 2020

PALESTINIANS RELIEF AND DEVELOPMENT FUND – INTERPAL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2019

Index

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF PALESTINIANS RELIEF AND DEVELOPMENT FUND – INTERPAL

Opinion

We have audited the financial statements of Palestinians Relief and Development Fund – Interpal (the “Charity”) for the year ended 31st December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity’s affairs as at 31st December 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1(c) in the financial statements which indicates withdrawal of the charity’s banking facilities in May 2020. Without a bank account, the charity’s ability to receive donations is extremely restricted and this inhibits the charity to achieve its full objectives as stated in the Trust Deed.

The charity intends to continue in operation despite the account closure by fundamentally changing its operation structure, however it is uncertain whether this will be a viable option for the charity. These events or conditions, indicate a material uncertainty exists that may cast significant doubt on the charity’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other

information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Trustees

As explained more fully in the trustees' responsibilities statement set out on pages 19-20, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

M AKRAM 

M Akram & Co
Statutory Auditor
Chartered Accountants
413 Lea Bridge Road
London
E10 7EA

Date: 30/10/2020

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st DECEMBER 2019

	Notes	2019 (£)	2018 (£)
Income from:			
Donations	3	5,471,873	6,944,676
Charitable activities	4	64,081	92,161
Investments	5	6,160	653
		-----	-----
Total income		5,542,114	7,037,490
		=====	=====
Expenditure on:			
Raising funds	6	462,214	602,372
Charitable activities	7	5,733,098	5,867,819
		-----	-----
Total expenditure		6,195,312	6,470,191
		=====	=====
Net income/(expenditure)		(653,198)	567,299
Reconciliation of funds:			
Total funds brought forward		5,405,044	4,837,745
		-----	-----
Total funds carried forward		4,751,846	5,405,044
		=====	=====

There are no recognised gains and losses other than those passing through the statement of financial activities. All income and expenditure are derived from continuing activities.

The notes on pages 28-40 form an integral part of these financial statements.

BALANCE SHEET AS AT 31st DECEMBER 2019

	Notes	2019 (£)	2018 (£)
Fixed assets			
Tangible assets	10	39,106	56,151
Current assets			
Debtors	11	3,083,517	3,526,427
Cash at bank and in hand		1,800,426	1,963,234
		-----	-----
Total current assets		4,883,943	5,489,661
Current liabilities			
Creditors: amounts falling due within one year	12	(171,203)	(140,768)
		-----	-----
Net current assets		4,712,740	5,348,893
		=====	=====
Net assets		4,751,846	5,405,044
		=====	=====
Funds of the Charity			
Unrestricted funds	13	4,751,846	5,405,044
		=====	=====

The financial statements were approved by the Board of Trustees and signed on their behalf by:



Dr Essam Mustafa

Member of the Board of Trustees

Date: 30 October 2020

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st DECEMBER 2019

	Notes	2019 (£)	2018 (£)
Net cash provided by/(used in) operating activities	14	(158,595)	821,531
Cash flows from investing activities:			
Purchase of fixed assets		(4,213)	(17,738)
		-----	-----
Net cash used in investing activities		(4,213)	(17,738)
		=====	=====
Change in cash and cash equivalents in the year		(162,808)	803,793
Cash and cash equivalents brought forward		1,963,234	1,159,441
		-----	-----
Cash and cash equivalents carried forward	15	1,800,426	1,963,234
		=====	=====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2019

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year, are set out below.

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: 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) (as updated through second edition-October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

b) Public benefit entity

The charity constitutes a public benefit entity as defined by FRS 102.

c) Going concern

The trustees consider the loss of card processing services and the loss of access to banking facilities in May 2020 to be key material uncertainties that may affect the Trust's ability to continue as a going concern. The trustees recognise that this will significantly impact the organisation's income and expenditure in the coming years and subsequently limit the scope for the usual level of fundraising and donation processing. In line with this, our support costs are under review as part of drafting budgets for the year ahead.

Whilst acknowledging these as material uncertainties, the trustees have reviewed the organisation's financial position, level of reserves, financial and risk management and are satisfied that the funds available are sufficient for the year ahead. The trustees were well prepared for the loss of banking facilities and have successfully implemented a plan to secure and safeguard key assets and funds for the continuity of UK operations and the charitable projects in the field in line with its objectives and mission.

In addition, given the implementation of the transition plan and change to the modus operandi of the charity, the trustees are satisfied that the adoption of new processes and operations of the organisation adequately mitigate these risks.

The Board of Trustees continues to adopt the 'going concern' basis in preparing accounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2019

d) Fund accounting

Where specific donations and other income are received for a particular charitable purpose, these are allocated to a restricted fund and expenditure incurred for that purpose is applied against the fund. The charity had no restricted funds in either 2019 or 2018. Interpal's incoming resources are best described as unrestricted funds, expendable at the discretion of the trustees in furtherance of the objects of the charity. Interpal has set up a system to record the specifics of the donations received; this is for administrative purposes in order to facilitate the proper dispensation of the moral obligations of the Trust, as well as the religious obligations of its donors.

e) Income recognition

All income is recognised once the charity has an entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations and grants are recognised in the period in which the charity is entitled to receipts where the amount can be measured reliably. The income from charitable and fundraising activities are shown gross with the associated costs included in expenditure.

Gifts in kind such as fixed assets donated to the charity are recognised as donations and are included at the value to the charity where this can be quantified.

Investment profits on funds held on deposits are included when receivable and the amount can be measured reliably by the charity; this is normally upon the notification of the profit paid by the bank.

f) Volunteers and other donated services

The charity has not received any donated services and facilities during the year. The value of the time and services provided by volunteers is not incorporated into these financial statements in accordance with the Charities SORP FRS 102.

g) Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on accrual basis. Funds expended are allocated to the particular activity where the cost relates directly to that activity. However the indirect and overhead costs of the central function including the operational and support costs have been apportioned to the charitable and fundraising activities in proportion to [cont.]

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2019

the direct expenditure incurred. Expenditure incurred on raising funds relates to the costs expended on attracting donations and other fundraising costs including printing, mailing and donation processing charges. Charitable expenditure comprises of those costs incurred by the charity in the delivery of its aid programme for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

h) Tangible fixed assets

Tangible fixed assets costing more than £200 are capitalised and included at cost, including any incidental expenses of acquisition. Depreciation is provided, after taking account of any grants receivable, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a reducing balance basis over the expected useful life, as follows:

Fixtures, fittings and equipment	25% per annum on reducing balance basis
Motor Vehicles	25% per annum on reducing balance basis
Overseas Assets	10%-25% per annum on reducing balance basis

i) Taxation

As a registered charity there is no liability to tax. Irrecoverable VAT is not analysed separately and is charged to the statement of financial activities when the expenditure to which it related is incurred and is allocated as part of the expenditure to which it relates. Tax recovered from voluntary income received under gift aid is recognised when the related income is receivable.

j) Pension scheme

The charity operates a defined contribution scheme. Contributions to the scheme are charged to the statement of financial activities as incurred.

k) Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange prevailing at the balance sheet date. All differences are taken to the statement of financial activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2019

l) Operating leases

Rentals payable under operating leases are charged to the statement of financial activities as incurred over the term of the lease.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates.

There are no significant judgements and estimates in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2019

3. INCOME FROM DONATIONS

	2019 (£)	2018 (£)
Donations	4,903,258	6,532,884
Gift Aid tax claims	568,615	411,792
	-----	-----
	5,471,873	6,944,676
	=====	=====

4. INCOME FROM CHARITABLE ACTIVITIES

	2019 (£)	2018 (£)
Merchandise sale	64,081	92,161
	-----	-----
	64,081	92,161
	=====	=====

The related expenditure for merchandise trading activity amounts to £65,072 (2018: £84,781). This is analysed within expenditure on raising funds and charitable activities.

5. INCOME FROM INVESTMENTS

	2019 (£)	2018 (£)
Bank deposit profit	6,160	653
	-----	-----
	6,160	653
	=====	=====

6. EXPENDITURE ON RAISING FUNDS

	2019 (£)	2018 (£)
Printing, Design & Postage	81,025	101,629
Fundraising Events	260,604	280,420
Donations Processing Charges	773	45,911
Operational, Support & Staff Costs	119,812	174,412
	-----	-----
	462,214	602,372
	=====	=====

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31st DECEMBER 2019**

7. EXPENDITURE ON CHARITABLE ACTIVITIES

Analysis by area*

	Project Costs	Operational, Support & Staff Costs	2019	2018
			Total	Total
	£	£	£	£
West Bank & Gaza	3,237,691	1,132,928	4,370,619	4,461,407
Jordan	251,722	88,084	339,806	333,025
Lebanon	433,478	151,682	585,160	589,304
UK & other grants	324,103	113,410	437,513	484,083
	-----	-----	-----	-----
	4,246,994	1,486,104	5,733,098	5,867,819
	=====	=====	=====	=====

Analysis by field**

	Project Costs	Operational, Support & Staff Costs	2019	2018
			Total	Total
	£	£	£	£
Humanitarian Aid	2,774,889	970,987	3,745,876	3,760,353
Medical Aid	121,678	42,577	164,255	195,179
Advancement of Education	155,729	54,492	210,221	83,650
Community Development	934,094	326,857	1,260,951	1,433,934
Advocacy and Awareness	260,604	91,191	351,795	394,703
	-----	-----	-----	-----
	4,246,994	1,486,104	5,733,098	5,867,819
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2019

Note 7 Continued:

*The charity has developed a delivery mechanism which includes working with strategic and trust partners in its areas of operation. All partner charities are chosen subject to due diligence procedures and regular monitoring in line with Interpal's Operations Manual. Due to Interpal's unique position, to protect partner charities their names are not disclosed.

****Humanitarian Aid:** provision of relief and emergency including financial assistance through the One-to-One Child Sponsorship Programme and seasonal support during the Ramadan and Qurbani periods; **Advancement of Education:** involves the sponsorship of needy students and grants to educational institutions and projects; **Medical Aid:** includes the provision of medical supplies, equipment and subsidies for treatment costs; **Community Development:** includes community initiatives such as capacity building for local organisations, job creation and vocational programmes; **Advocacy & Awareness:** involves various events or campaigns throughout the UK to raise awareness about the humanitarian crisis affecting Palestinians.

8. OPERATIONAL AND SUPPORT COSTS

	2019 (£)	2018 (£)
IT costs	53,329	80,990
Premises rentals and overheads	361,162	406,408
Outsourced support services	44,104	42,531
Motor and travel expenses	31,492	47,691
Depreciation	18,821	23,562
Exchange loss	72,152	56,368
Accountancy fee	15,000	21,320
Auditor's remuneration	10,320	12,840
Legal & professional fees	-	2,100
Trustees' travel & subsistence	2,252	4,599
Loss on disposal of fixed assets	2,437	18,243
	-----	-----
	611,069	716,652
	=====	=====

ALLOCATION OF OPERATIONAL AND SUPPORT COSTS

These charitable operations and support costs refer to funds expended to deliver aid programmes and fulfil the objectives of the charity. These include central function costs and have been apportioned to charitable and fundraising activities in proportion to the direct expenditure incurred.

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31st DECEMBER 2019**

9. STAFF COSTS

	2019 (£)	2018 (£)
Staff Wages & Salaries	912,787	1,059,364
Staff Training and Welfare	171	5,636
Employer's National Insurance Contributions	65,471	77,293
Pension Costs	16,418	14,456
	-----	-----
	994,847	1,156,749
	=====	=====

ANALYSIS OF STAFF COSTS

Staff by Department	2019	2018
	No.	No.
Fundraising & PR	31	39
Operational & Support	17	18
	-----	-----
	48	57
	====	====

The average number of employees during the year was 48 (2018 - 57). No employees had emoluments over £60,000 during the year (2018 - None).

The remuneration and benefits received by the key management personnel during the year amounted to £188,961 (2018 - £187,681). This included salaries and pension costs payable to the Executive Manager and five (2018 – five) senior staff responsible for the operational delivery of the aid programmes and the fundraising.

These costs have been allocated to the charitable aid programmes and fundraising activities on the basis of the proportion of direct expenditure incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2019

10. TANGIBLE FIXED ASSETS

	Motor Vehicles (£)	Fixtures, Fittings & Equipment (£)	Total (£)
Cost			
At 1 st January 2019	3,000	312,846	315,846
Additions	-	4,213	4,213
Disposals	(3,000)	(11,245)	(14,245)
	-----	-----	-----
At 31st December 2019	-	305,814	305,814
	=====	=====	=====
Depreciation			
At 1 st January 2019	1,312	258,383	259,695
Charge for the year	-	18,821	18,821
Disposals	(1,312)	(10,496)	(11,808)
	-----	-----	-----
At 31st December 2019	-	266,708	266,708
	=====	=====	=====
Net Book Value			
At 31 st December 2019	-	39,106	39,106
	=====	=====	=====
At 31 st December 2018	1,688	54,463	56,151
	=====	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2019**

11. DEBTORS

	2019 (£)	2018 (£)
GAD Tax recoverable	916,109	1,182,982
Prepayments	10,287	10,627
Other Debtors	962,925	106,356
Allocated funds for the field	1,194,196	2,226,462
	-----	-----
	3,083,517	3,526,427
	=====	=====

Allocated Funds for the Field are funds which have been securely delivered to trust partners to be expended in due course in accordance with the trustees' wishes as per the decision making process.

12. CREDITORS: amounts falling due within one year

	2019 (£)	2018 (£)
Other taxes & social security	13,953	17,240
Accruals	35,640	29,760
Trade creditors	-	3,770
Other creditors	121,610	89,998
	-----	-----
	171,203	140,768
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2019**

13. RECONCILIATION OF MOVEMENTS ON UNRESTRICTED FUNDS

	2019 (£)	2018 (£)
Total funds brought forward	5,405,044	4,837,745
Income	5,542,114	7,037,490
Expenditure	(6,195,312)	(6,470,191)
	-----	-----
Total funds carried forward	4,751,846	5,405,044
	=====	=====

14. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 (£)	2018 (£)
Net income/(expenditure)	(653,198)	567,299
Depreciation	18,821	23,562
Decrease/ (increase) in debtors	442,910	189,872
Increase/(decrease) in creditors	30,435	22,555
Loss on disposal of fixed assets	2,437	18,243
	-----	-----
Net cash provided by/(used in) operating activities	(158,595)	821,531
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2019**

15. ANALYSIS OF CHANGE IN NET FUNDS

	At 1st January 2019 (£)	Cash flow movement (£)	At 31st December 2019 (£)
Cash at bank and in hand	1,963,234	(162,808)	1,800,426
	-----	-----	-----
Change in net funds	1,963,234	(162,808)	1,800,426
	=====	=====	=====

16. RELATED PARTY TANS ACTIONS AND TRUSTEES' REMUNERATION

The trustees received no emoluments during 2019 (2018 - £nil). During the year £2,252 (2018 - 4,599) was incurred for all trustees' telephone, travel and subsistence, either by direct payment or reimbursement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2019

17. COMMITMENTS UNDER OPERATING LEASES

Total future minimum rentals payable under non-cancellable operating leases are as follows:

	Land and Buildings	
	2019 (£)	2018 (£)
i) Not later than 1 year	116,783	122,458
ii) Later than 1 year and not later than 5 years	123,826	199,807
iii) Later than 5 years	-	4,341
	-----	-----
	240,609	326,606
	=====	=====

18. EVENTS AFTER THE END OF THE REPORTING PERIOD

Non-adjusting event

The charity's banking facilities were withdrawn in May 2020 and since then, the charity has continued with its plan to safeguard serving donors and beneficiaries. The trustees project that in the coming years, the organisation will see a major reduction in its income and expenditure; this has been factored in to the organisation's revised operational structure and all upcoming plans.