



# Interpal

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

For the Year Ended 31<sup>st</sup> December 2017

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

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# LEGAL AND ADMINISTRATIVE INFORMATION

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Mr. Ghassan Faour (retired September 2018)

Mrs. Shabana Pinjara

Ms. Saher Usmani

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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 31<sup>st</sup> December 2017. 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.

## Chairman's Statement:

Interpal's areas of operation continue to be impacted by a worsening humanitarian crisis and ongoing violence. In 2017, the siege of the Gaza Strip had lasted over 10 years and Palestinians marked a number of tragic anniversaries in their struggle. The lack of economic growth or limited opportunities in the occupied territories, as well as competition over resources in Lebanon and Jordan have further exacerbated the poverty and disadvantage faced by Palestinians.

Despite this, the plight of Palestinians remained misunderstood, ignored or minimised and aid to them has been unnecessarily politicised. It is within this complex environment, and facing its own challenges and detractors that Interpal worked to provide impactful and appropriate aid to those in need. Our resolve and commitment to support those in need remained strong, as did that of our supporters and the charity raised and expended over £6 million.

Efficient delivery of aid remained a key priority and in line with its robust due diligence, policies and procedures, Interpal continued to work to its Relationships and Funding Operations Manual and develop its delivery mechanism. The charity also continued developing positive relationships with other NGOs, the United Nations Relief and Works Agency (UNRWA) and other public figures.

With a number of high profile crises unfolding across the globe, Interpal faced challenges fundraising, including donor fatigue and a lack of sympathetic mainstream media focus on Palestine. With the charity reliant on voluntary giving, more resources were spent on raising funds and increasing awareness of programmes. The ability of the charity to raise more than its average in a difficult year highlights the confidence placed in us by our supporters, and the importance of having local branches and representatives for outreach and brand awareness.

The impact of our projects and programmes on the ground is evidenced by the positive reception and cooperation of our beneficiaries. Interpal takes great pride in being trusted by those we aim to support and places their dignity above all else. Interpal's projects range from long term aid to immediate relief and have demonstrable significant

impact on lives. The variety of interventions also highlights our expertise and understanding.

The board of trustees appreciate greatly the generous support of donors and the dedication shown by Interpal's staff, past trustees and volunteers. Thanks to the great team effort by all concerned — and the Blessings of the Almighty — in the face of ongoing challenges Interpal made a real and beneficial impact on the lives of vulnerable Palestinians.

## **Interpal: Structure, Governance and Management**

Interpal is a charity organised, registered, headquartered and operating in the United Kingdom under the supervision of the British Charity Commission and 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 of 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, Cardiff, Manchester, Dewsbury, Nottingham, Gloucester, Edinburgh and Glasgow. 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 secure and effective mechanism for people to donate to the Palestinian cause, which not only benefits Palestinians in need but also allows many of our donors in the UK to fulfil religious obligations.

## **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. In 2017, the charity continued to invest in volunteer recruitment and training to increase engagement and retention. During the year, an estimated 250 volunteers worked with Interpal across our branches and helped with events, office administration, television and radio live appeal call centres and participating in fundraising challenges. Interpal undertakes the management and training of all of its volunteers in-house and is



indebted for their efforts during the course of the year. Further information about volunteer recruitment and training can be found on our volunteering [webpage](#).

### **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 2017

## External Factors Affecting Achievement

The political sensitivity around delivering aid to the Middle East continued to impact Interpal's work in the region. In addition to this, aid delivery remains challenging due to international and local political agendas, as well as the complicated nature of the humanitarian crises facing beneficiaries. The increased needs on the ground have highlighted the need for increased and improved international assistance, however they have also highlighted the limitations of aid agencies and placed a heavy burden on the NGO sector.

Interpal continues to cope with the challenges caused by the 2003 US designation, especially in the provision of banking facilities. This is an ongoing and serious obstacle to Interpal's operations, which is further exacerbated by the security situation in the Middle East. Banks continued to be risk averse and cautious, leading to more difficulties and delays in transferring funds. Another factor affecting charities was the ongoing impact of Brexit negotiations and uncertainty regarding exchange rates.

Despite the many obstacles, Interpal continued to carry out its humanitarian activities in the field and has maintained its fundraising activities in order to fulfil its mandate.

## Strategic Objectives for 2017:

- **Objective 1:**  
Increase practical aid to the occupied Palestinian territories, Lebanon and Jordan and further develop the charity as an effective and specialist NGO.
- **Objective 2:**  
Develop the charity's fundraising and marketing strategy to increase income and brand recognition.
- **Objective 3:**  
Continue to develop the delivery mechanism, including enhancing monitoring and evaluation as well as due diligence and risk management.
- **Objective 4:**  
Maintain and enhance good governance as well as aligning operational processes and improving management across the organisation.
- **Objective 5:**  
Focus more on advocacy and awareness and strengthen cooperation with other NGOs and Palestine focused organisations and groups.

**Objective 1: Increase practical aid to the occupied Palestinian territories, Lebanon and Jordan and further develop the charity as an effective and specialist NGO.**

Interpal's programmes continued to respond to the ongoing humanitarian crises in the region as well as supporting 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 gaps in care and multi-dimensional aid.

Interpal expended over £5.3 million across its core sectors of work in 2017 to aid vulnerable beneficiaries, including orphans, the elderly, widows and persons with disabilities. Highlights of our work over the year can be found on our website and social media pages. Our 'top ten moments' 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; 56% 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. Both these programmes provide an essential lifeline for struggling families and benefitted over 14,000 families in the form of ongoing or seasonal aid. Interpal expended over £1.8 million towards supporting families across our areas of operation to improve their quality of life and cope with poverty. 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 protecting the 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. In excess of £182,000 was provided in additional gift payments by donors in 2017. 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 Al-Adha/Qurbani**

In line with providing humanitarian aid and seasonal support, the Ramadan campaign is Interpal's biggest fundraising effort and focuses on performing a religious duty for the charity's donors whilst also providing timely support for beneficiaries. Seasonal aid is hugely important to build resilience and reach a larger number of beneficiaries at their most vulnerable. Ramadan activities included the distribution of food parcel coupons, financial aid, and Eid gifts. In line with Interpal's commitment to multi-dimensional support, which ensures that the benefit of projects reaches the wider community, alongside in-kind food parcels, the charity distributed coupons from supermarkets to enable beneficiaries to purchase the goods they most need and maximise the benefit to the local economy.

During Ramadan, in the West Bank, 1,503 families received financial aid whilst 1288 families received food vouchers in Gaza to redeem in local stores. In 2017, over 15,000 beneficiaries were provided a form of food aid including fresh vegetable, cooked meals or food parcels.

On the occasion of Eid Al-Adha/Qurbani, Interpal utilises the desire of donors to fulfil a religious obligation to provide effective aid to those in need. During the Al-Adha distributions, Interpal provided food aid, as well as financial support in the form of Eid gifts for children across its areas of operation. A popular form of support were meat parcels and over 5000 families benefitted from these across all areas of operation. The meat parcel project also benefits local farmers, which is a hugely important source of income in the occupied territories where farming is severely impacted by the occupation and the siege.

In line with previous years, in excess of 13,000 families were supported through Ramadan and Qurbani projects in 2017. Interpal's field offices built on feedback from previous years to ensure that the aid provided was both effective and 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. Photos from the distributions can be viewed [here](#), [here](#) and [here](#).

**Community Development:**

Community Development accounts for over £1.3million of Interpal's charitable expenditure, and the focus is on supporting communities through long term support and addressing societal concerns such as unemployment and infrastructure.

- **The Job Creation Programme**

The Job Creation Programme remains a strategic long term commitment for the charity. With unemployment as high as 40% 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. The programme was expanded to Lebanon, where Interpal employs social workers from within the refugee camps to serve their own communities. Interpal expended over £300,000 on the programme and supported over 275 beneficiaries, their families and the local organisations employing them. Interpal endeavour to ensure that both men and women are equally represented in the project and participants are consulted about what work would benefit them and how they would like to benefit others. In addition, the programme has also helped people set up small businesses and provided the tools with which to earn an income. In 2017, our field offices provided [tuk-tuk vehicles](#), equipment to set up [bee farming](#), chicken coops and start up small businesses to sell fish and vegetables. You can learn more about this [here](#).

- **Providing Access to Clean Water**

The right to clean and safe drinking water is difficult to achieve for Palestinian refugees across all our areas of operation. Interpal provided a water filtration unit in Lebanon that benefits over 10,000 families, as well as providing public water tanks to 60 spaces in Gaza, which benefits over 60,000 people. The public tanks were placed in schools, medical centres and kindergartens. The tanks are filled with water from desalination plants implemented by Interpal (and other NGOs) as part of improving the water infrastructure in Gaza. Those donating public tanks receive feedback and photographs of where their tank has been placed, plus a fixed banner on the tank bearing their name. Interpal utilised local knowledge and worked closely with local environmental agencies to ensure its water projects reduced water poverty and were appropriate for the current situation on the ground.

- **The Outreach Bus Programme**

The Outreach Bus Programme continues to be a key fixture in Interpal's project portfolio for community development and now supports 230 beneficiaries with mobility needs in Gaza, and employs 8 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 and referring them to the service. You can learn more about the programme [here](#).

**Advancement of Education:**

With ongoing poverty and uncertainty of the future damaging the achievement and ambition of young Palestinians, it is necessary to ensure they are able to access education and educational resources. Interpal expended over £319,000 in support of advancing education and supporting students and institutions.

- **Supporting Palestinian Children and Young People in Education**

Interpal has provided school uniforms and kits, as well as supporting fees for students across all its areas of operation. This has included ensuring graduates can pay off outstanding fees to gain their graduate certificates and also supporting 'Tawjihi' students in their final year of secondary school. As always, Interpal ensured both young men and women were equally supported through these programmes. The charity also supported running costs for a [special needs education facility](#) in Gaza that supported over 120 students and 20 teachers.

- **Intensive Lessons for Students**

In line with supporting Palestinian children advance in education, a special programme was developed to provide intensive lessons to support secondary aged children in Lebanon. After requests from parents who felt their children were struggling in school and were unable to access additional support due to being from disadvantaged backgrounds, the programme was implemented and supported 233 students. The programme was well received and there was positive feedback on the impact of the lessons for the children.

**Medical Aid:**

The health sector across Interpal's areas of operation is both under resourced and under equipped. This is why Interpal supports both patients and health institutions as well as addressing the needs of vulnerable groups such as the elderly and children. Interpal continued to provide medicines and medical disposables to hospitals across Gaza and also continued subsidising medical costs for refugees.

- **Providing Vital Surgical Tools for Medical Centre in Southern Gaza**

Interpal works closely with the healthcare sector in Gaza and responds to their needs and appeals across its areas of operation. Like many medical clinics, Yaffa Centre was forced to use old, outdated or faulty tools to treat patients and Interpal's intervention and provision of new and modern surgical tools ensured the 300 surgeries completed every month will be done to the best standard.

- **Supporting Women's Health**

Improving maternal health and women's health in general is hugely important for Palestinian society. Women are not only caregivers and breadwinners but they are often the emotional backbone of families. The charity supported a number of projects aimed at women's health including providing bipolar forceps for a clinic in Gaza to prevent bleeding during childbirth. Interpal also equipped an Obstetrics and Gynaecology clinic in Khan Younis, which supports over 500 patients every month.

## **Objective 2: Develop the charity's fundraising and marketing strategy to increase income and brand recognition.**

Interpal is a charity that relies entirely on voluntary donations and works within local communities via its regional fundraising branches in the UK. A key focus in 2017 was developing the fundraising branches and utilising more tools and techniques for fundraising and brand awareness. The 2017 plan was completed and communicated to all staff early in the year and involved aligning fundraising, marketing and programmes. In line with this objective, fundraising expenditure increased to allow the charity to invest more in the training and development of the fundraisers to improve how they operate in a competitive environment. There was a focus on strengthening local fundraising branches and creating special working groups for certain fundraising streams. Trustee level and executive level visits to the branches were also carried out and an opportunity to assess skills, successes and challenges in each area that will be used to form plans for 2018.

Marketing and communications remained a developing and important department within the organisation. Staff changes led to challenges and impacted the annual strategy, however the marketing strategy was executed as planned with a focus on updating branding, targeting donors and improving the tools used in the creative process.

Meeting the objective was challenging in an increasingly competitive environment and with the specific obstacles faced by the charity, however it was a successful year in terms of raising £5.9 million (above the annual average) and in developing staff and aligning expectations and skills. The charity is a member of the Fundraising Regulator and complies with GDPR regulations, as well as having policies in place to protect data that are regularly reviewed and enhanced. There are options in place for donors and supporters to cancel subscriptions or opt out of communications, and these are recorded and honoured as per their wishes. Interpal works to ensure its fundraising and marketing activities comply with all laws and regulations, as well as being ethical, in line with the ethos of the charity and appropriate for its donors.

## **Objective 3: Continue to develop the delivery mechanism, including enhancing monitoring and evaluation as well as due diligence and risk management.**

The delivery mechanism continued to develop and adapt in what was a challenging year, especially with regards to delivering aid in Jordan. Due diligence remained high on the agenda, with the charity beginning an audit with the HMRC and in line with this, visits to the field were conducted to complete monitoring and evaluations regarding end beneficiaries. Other special visits were made to the field to train staff, align processes for the year and these also took the latest regulatory requirements into account. The charity



successfully achieved delivering all monies raised to the field and meeting its commitments to its beneficiaries.

**Objective 4: Maintain and enhance good governance as well as aligning operational processes and improving management across the organisation.**

With an ongoing commitment to maintaining robust policies and procedures as laid out in the Relationships and Funding Operations Manual (RFOM) and ensuring all new Charity Commission guidelines were being adhered to, the trustees also focused on improving internal working and improving productivity and management across departments.

Safeguarding policies were further developed and communicated to all field staff for beneficiaries, and policies supporting staff in the UK and the field, including complaints and reviews were enhanced and implemented.

The post of the 'Governance Officer' was developed and areas of improvement across the organisation identified. Policies and procedures were reviewed and updated, as well as highlighting these to the relevant staff members. Legal regulations, including registering with the ICO and beginning the GDPR law change process were managed by the Governance Officer. Enhancing due diligence and risk assessments as well as the routine updating of the operations manual and risk register was also completed during the year. Reviews and appraisals as well as training staff and focusing on efficient management was stressed through departmental heads. The organisation enhanced its operational processes and was able to complete all reporting and regulatory requirements in 2017.

**Objective 5: Focus more on advocacy and awareness and strengthen cooperation with other NGOs and Palestine focused organisations and groups.**

Interpal recognises the need to demystify the issues around the humanitarian crises facing Palestinians and to engage people beyond financial donations. As such, the charity engages with supporters and other like-minded organisations to raise awareness and advocate for the human rights of Palestinians includes an advocacy and awareness component to many of its campaigns and communications materials. The charity continued to be a member of the 'Palestine Platform', attending meetings with government departments and supporting initiatives aimed at drawing attention to Palestinian human rights. Interpal's staff also continued to attend and support events of other charities, including cultural festivals, film screenings and exhibitions. The charity expended in excess of £560,000 for Advocacy and Awareness in 2017.

The charity ran a number of campaigns across our media platforms that marked key days in aid and development, dates relevant to Palestinians and also our donors. The year was also a hugely significant year for Palestinians, with the centenary of the



Balfour Declaration, the 50<sup>th</sup> anniversary of the 'Naksa' (the occupation of the West Bank and Gaza) and the 30<sup>th</sup> anniversary of the 1<sup>st</sup> Intifada. Interpal utilised these events to highlight the humanitarian crisis facing Palestinians across its own platforms and with other organisations. A number of [blogs](#) were disseminated via social media and our website, and engagement with donors and supporters was overall very positive.

Within the year, the Interpal funded UNRWA 'Vision Project' was concluded and as part of our 'Bear Witness' programme to the field, a special delegation went to Gaza to attend the closing ceremony and visit our projects. Interpal's trustees also commissioned reputable journalists to research and write a book about the charity's history and challenges as a way to address detractors.

A key event in the year was the 'Palestine Expo' held in the QE2 Centre in London which was attended by over 10,000 people over two days. Interpal benefited from the event, receiving new supporters and increasing our brand awareness to new demographics. The charity had a stall and exhibition as well as holding a special seminar on the 'Intersections of Disadvantage Faced by Palestinian Refugees', which included panellists from other Palestine focused NGOs. Photos of the event can be viewed [here](#), as well the special [film](#) produced for the event.

## **Strategic Direction for 2018:**

### **Objective 1:**

Increase practical aid to the occupied Palestinian territories, Lebanon and Jordan and further develop the charity as an effective and specialist NGO.

### **Objective 2:**

Develop and improve the charity's fundraising and marketing strategy to increase income and brand recognition.

### **Objective 3:**

Continue to develop the delivery mechanism and enhance due diligence and risk management alongside monitoring and evaluation.

### **Objective 4:**

Prioritise good governance and enhance operational processes across the organisation.

### **Objective 5:**

Continue to focus on advocacy and awareness and cooperation with other NGOs and Palestine focused organisations and groups.

## **FINANCIAL REVIEW**

### **Income**

Interpal's total income for 2017 amounted to £5,907,186 (2016: £6,077,075). The income remained above the charity's average (approximately £5million) despite various challenges over the year.

Donations amounted to 99% of the total income, all raised from within the UK, highlighting the success of Interpal's fundraising activities in 2017 despite the focus being on many other high priority appeals such as the Rohingya Crisis and East Africa.

### **Expenditure**

The total amount expended in 2017 was £6,073,816 (2016: £7,799,832). Over 88% of the total expenditure was spent on charitable activities, which amounted to £5,370,752 (2016: £7,233,026).

Humanitarian aid, namely food and financial assistance, continues to be the principal category of allocation of funds, representing 56% of the total charitable expenditure; 2% was expended in support of Medical Aid, 26% on Community Development Programmes, 6% in support of Education and 10% on Advocacy and Awareness programmes.

In total, 72% of the total charitable allocation was expended in the West Bank and Gaza Strip, 10% in Lebanon, 5% in Jordan and 13% in the UK and other areas.

The sum of £703,064 (2016: £566,806) was spent on raising funds. This represents approximately 11.6% of the total expenditure. The increase in fundraising expenditure highlights further investment in Fundraising events, staff and operational costs to compete in the current charity climate. 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 2017, the net outgoing resources were £166,630 (2016: £1,722,757) which means the total expenditure exceeded the total income for the year by this amount. This arose mainly from the release of the funds that had already been delivered safely to the field in the previous year.

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 £4,837,745 are carried forward into 2018. It is of note that 48% of this total amounting to £2,311,351 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. Although Interpal has set up a number of separate sub-bank accounts, as well as 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 together with their advisors have reviewed the principle risks and uncertainties that the charity faces and agreed to continue to update the risk register and the actions to be taken to mitigate and manage these risks. A full assessment of the charity's operational and functional structure, including its financial cash flow forecast for the next 12 months concluded that the charity is in a sound position to continue as a going concern.

## **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 incoming resources and application of resources 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:



**I. B. Hewitt - Chairman of the Board of Trustees**

**Date: 26 October 2018**

## **PALESTINIANS RELIEF AND DEVELOPMENT FUND – INTERPAL**

### **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31st DECEMBER 2017**

#### **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 2017 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 2017 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.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **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**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement set out on page 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**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

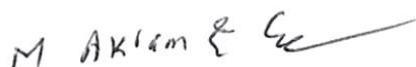
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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](http://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 & Co  
Statutory Auditor  
Chartered Accountants  
413 Lea Bridge Road  
London  
E10 7EA

Date: 26-10-2018



**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2017**

	Notes	2017 (£)	2016 (£)
<b>Income from:</b>			
Donations	3	5,867,809	6,044,459
Charitable activities	4	38,937	27,054
Investments	5	440	5,562
		-----	-----
<b>Total income</b>		<b>5,907,186</b>	<b>6,077,075</b>
		=====	=====
<b>Expenditure on:</b>			
Raising funds	6	703,064	566,806
Charitable activities	7	5,370,752	7,233,026
		-----	-----
<b>Total expenditure</b>		<b>6,073,816</b>	<b>7,799,832</b>
		=====	=====
<b>Net expenditure</b>		<b>(166,630)</b>	<b>(1,722,757)</b>
<b>Reconciliation of funds:</b>			
<b>Total funds brought forward</b>		<b>5,004,375</b>	<b>6,727,132</b>
		-----	-----
<b>Total funds carried forward</b>		<b>4,837,745</b>	<b>5,004,375</b>
		=====	=====

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 31<sup>st</sup> DECEMBER 2017

	Notes	2017 (£)	2016 (£)
<b>Fixed assets</b>			
Tangible assets	10	80,218	111,793
<b>Current assets</b>			
Debtors	11	3,716,299	2,548,845
Cash at bank and in hand		1,159,441	2,515,520
		-----	-----
<b>Total current assets</b>		<b>4,875,740</b>	<b>5,064,365</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	12	(118,213)	(171,783)
		-----	-----
<b>Net current assets</b>		<b>4,757,527</b>	<b>4,892,582</b>
		=====	=====
<b>Net assets</b>		<b>4,837,745</b>	<b>5,004,375</b>
		=====	=====
<b>Funds of the Charity</b>			
Unrestricted funds	13	4,837,745	5,004,375
		=====	=====

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




---

**I. B. Hewitt**

**Chairman of the Board of Trustees**

**Date: 26 October 2018**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2017**

	Notes	2017 (£)	2016 (£)
<b>Net cash used in operating activities</b>	14	(1,333,730)	(640,300)
<b>Cash flows from investing activities:</b>			
Purchase of fixed assets		(22,349)	(23,349)
		-----	-----
<b>Net cash used in investing activities</b>		<b>(22,349)</b>	<b>(23,349)</b>
		=====	=====
<b>Change in cash and cash equivalents in the year</b>		<b>(1,356,079)</b>	<b>(663,649)</b>
Cash and cash equivalents brought forward		2,515,520	3,179,169
		-----	-----
<b>Cash and cash equivalents carried forward</b>	15	<b>1,159,441</b>	<b>2,515,520</b>
		=====	=====

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2017**

### **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 Update Bulletin 1 published on 2<sup>nd</sup> February 2016), 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 that there are no material uncertainties about the Trust's ability to continue as a going concern.

This assessment has been made on the basis of the review of the financial position and the operational risks. The trustees are satisfied that the financial position of the charity is sound and the delivery mechanism is operating well with the appropriate safeguards in place. The board of trustees continues to adopt the 'going concern' basis in preparing accounts.

#### **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 2017 or 2016. 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. Although Interpal has set up a number of separate sub-bank accounts, as well as 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.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2017**

### **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 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.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2017**

### **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.

### **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.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2017**

### **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 31<sup>st</sup> DECEMBER 2017**

**3. INCOME FROM DONATIONS**

	<b>2017 (£)</b>	<b>2016 (£)</b>
Donations	5,414,985	5,541,682
Gift Aid tax claims	452,824	502,777
	-----	-----
	<b>5,867,809</b>	<b>6,044,459</b>
	=====	=====

**4. INCOME FROM CHARITABLE ACTIVITIES**

	<b>2017 (£)</b>	<b>2016 (£)</b>
Merchandise sale	38,937	27,054
	-----	-----
	<b>38,937</b>	<b>27,054</b>
	=====	=====

The related expenditure for merchandise trading activity amounts to £87,522 (2016: £79,266). This is analysed within expenditure on raising funds and charitable activities.

**5. INCOME FROM INVESTMENTS**

	<b>2017 (£)</b>	<b>2016 (£)</b>
Bank deposit profit	440	5,562
	-----	-----
	<b>440</b>	<b>5,562</b>
	=====	=====

**6. EXPENDITURE ON RAISING FUNDS**

	<b>2017 (£)</b>	<b>2016 (£)</b>
Printing, Design & Postage	74,046	80,208
Fundraising Events	391,268	331,617
Donations Processing Charges	25,847	39,251
Operational, Support & Staff Costs	211,903	115,730
	-----	-----
	<b>703,064</b>	<b>566,806</b>
	=====	=====



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2017**

**7. EXPENDITURE ON CHARITABLE ACTIVITIES**

**Analysis by area\***

	<b>Project Costs</b>	<b>Operational, Support &amp; Staff Costs</b>	<b>2017  Total</b>	<b>2016  Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
West Bank & Gaza	2,703,897	1,166,552	3,870,449	3,888,301
Jordan	178,000	76,795	254,795	1,382,221
Lebanon	361,000	155,748	516,748	1,452,902
UK & other grants	509,112	219,648	728,760	509,602
	-----	-----	-----	-----
	<b>3,752,009</b>	<b>1,618,743</b>	<b>5,370,752</b>	<b>7,233,026</b>
	=====	=====	=====	=====

**Analysis by field\*\***

	<b>Project Costs</b>	<b>Operational, Support &amp; Staff Costs</b>	<b>2017  Total</b>	<b>2016  Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Humanitarian Aid	2,110,051	910,347	3,020,398	4,865,858
Medical Aid	62,968	27,167	90,135	220,476
Advancement of Education	223,445	96,402	319,847	359,339
Community Development	964,277	416,021	1,380,298	1,370,654
Advocacy and Awareness	391,268	168,806	560,074	416,699
	-----	-----	-----	-----
	<b>3,752,009</b>	<b>1,618,743</b>	<b>5,370,752</b>	<b>7,233,026</b>
	=====	=====	=====	=====

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2017

#### 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

	2017 (£)	2016 (£)
IT costs	112,041	105,770
Premises rentals and overheads	407,681	409,689
Outsourced support services	38,115	42,615
Motor and travel expenses	37,042	29,552
Depreciation	44,774	46,574
Exchange loss/(gain)	49,521	(92,247)
Accountancy fee	19,000	19,440
Auditor's remuneration	7,800	7,800
Legal & professional fees	-	11,000
Trustees' travel & subsistence	5,031	4,760
Loss on disposal of fixed assets	9,150	7,623
	-----	-----
	<b>730,155</b>	<b>592,576</b>
	=====	=====

#### 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 31<sup>st</sup> DECEMBER 2017**

**9. STAFF COSTS**

	<b>2017 (£)</b>	<b>2016 (£)</b>
Staff Wages & Salaries	1,009,864	922,552
Staff Training and Welfare	6,859	-
Employer's National Insurance Contributions	73,149	67,216
Pension Costs	10,619	10,220
	-----	-----
	<b>1,100,491</b>	<b>999,988</b>
	=====	=====

**ANALYSIS OF STAFF COSTS**

<b>Staff by Department</b>	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Fundraising & PR	20	18
Operational & Support	37	35
	-----	-----
	57	53
	=====	=====

The average number of employees during the year was 57 (2016 - 53). No employees had emoluments over £60,000 during the year (2016 - None).

The remuneration and benefits received by the key management personnel during the year amounted to £210,452 (2016 - £228,410). This included salaries and pension costs payable to the Executive Manager and six 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 31<sup>st</sup> DECEMBER 2017**

**10. TANGIBLE FIXED ASSETS**

	<b>Motor Vehicles (£)</b>	<b>Fixtures, Fittings &amp; Equipment (£)</b>	<b>Total (£)</b>
<b>Cost</b>			
At 1 <sup>st</sup> January 2017	156,726	308,776	465,502
Additions	3,000	19,349	22,349
Disposals	(55,915)	(17,386)	(73,301)
	-----	-----	-----
<b>At 31<sup>st</sup> December 2017</b>	<b>103,811</b>	<b>310,739</b>	<b>414,550</b>
	=====	=====	=====
<b>Depreciation</b>			
At 1 <sup>st</sup> January 2017	122,815	230,894	353,709
Charge for the year	20,912	23,862	44,774
Disposals	(48,549)	(15,602)	(64,151)
	-----	-----	-----
<b>At 31<sup>st</sup> December 2017</b>	<b>95,178</b>	<b>239,154</b>	<b>334,332</b>
	=====	=====	=====
<b>Net Book Value</b>			
At 31 <sup>st</sup> December 2017	<b>8,633</b>	<b>71,585</b>	<b>80,218</b>
	=====	=====	=====
At 31 <sup>st</sup> December 2016	33,911	77,882	111,793
	=====	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2017**

<b>11. DEBTORS</b>	<b>2017 (£)</b>	<b>2016 (£)</b>
Donations Receivable	-	26,477
GAD Tax recoverable	932,783	502,784
Prepayments	19,838	51,193
Other Debtors	452,327	446,837
Allocated funds for the field	2,311,351	1,521,554
	-----	-----
	<b>3,716,299</b>	<b>2,548,845</b>
	=====	=====

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

	<b>2017 (£)</b>	<b>2016 (£)</b>
Other taxes & social security	18,164	22,203
Accruals	25,360	25,800
Trade creditors	265	6,667
Other creditors	74,424	117,113
	-----	-----
	<b>118,213</b>	<b>171,783</b>
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2017**

**13. RECONCILIATION OF MOVEMENTS ON UNRESTRICTED FUNDS**

	<b>2017 (£)</b>	<b>2016 (£)</b>
Total funds brought forward	5,004,375	6,727,132
Income	5,907,186	6,077,075
Expenditure	(6,073,816)	(7,799,832)
	-----	-----
<b>Total funds carried forward</b>	<b>4,837,745</b>	<b>5,004,375</b>
	=====	=====

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

	<b>2017 (£)</b>	<b>2016 (£)</b>
Net expenditure for the reporting period	(166,630)	(1,722,757)
Depreciation	44,774	46,574
(Increase)/ decrease in debtors	(1,167,454)	1,036,260
Decrease in creditors	(53,570)	(8000)
Loss on disposal of fixed assets	9,150	7,623
	-----	-----
<b>Net cash used in operating activities</b>	<b>(1,333,730)</b>	<b>(640,300)</b>
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2017**

**15. ANALYSIS OF CHANGE IN NET FUNDS**

	<b>At 1<sup>st</sup> January 2017 (£)</b>	<b>Cash flow movement (£)</b>	<b>At 31<sup>st</sup> December 2017 (£)</b>
Cash at bank and in hand	2,515,520	(1,356,079)	1,159,441
	-----	-----	-----
<b>Change in net funds</b>	<b>2,515,520</b>	<b>(1,356,079)</b>	<b>1,159,441</b>
	=====	=====	=====

**16. RELATED PARTY TANSACTIONS AND TRUSTEES' REMUNERATION**

The Trustees received no emoluments during 2017 (2016 - £nil). During the year £5,031 (2016 - £4,760) was incurred for all Trustees' telephone, travel and subsistence, either by direct payment or reimbursement.

The trust acquired services from an individual who is related to the trustee as follows:

<b>Name:</b>	<b>Relationship:</b>	<b>Services Acquired:</b>	<b>Cost of Service (£):</b>
Ismail Hewitt	Son	Graphic Design	3,000

During the year, the trust acquired catering services from 'Lucknow 2 London Ltd' for a live appeal, amounting to £337 (2016 - £nil). Ms Saher Usmani, a trustee of the charity, is also a director in the company 'Lucknow 2 London Ltd'.

Donations received during the year from the trustees' amount to £8,300 (2016 - £950). No conditions were attached to these donations.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2017**

**17. COMMITMENTS UNDER OPERATING LEASES**

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

	<b>Land and Buildings</b>	
	<b>2017</b>	<b>2016</b>
i) Not later than 1 year	127,258	121,474
ii) Later than 1 year and not later than 5 years	270,354	281,258
iii) Later than 5 years	25,365	21,083
	-----	-----
	<b>422,977</b>	<b>423,815</b>
	=====	=====