

A.M. QATTAN FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

A.M. QATTAN FOUNDATION
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A.M. QATTAN FOUNDATION
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE FOUNDATION, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Trustees	Omar Abdul Muhsen Al-Qattan Najwa Al-Qattan Nadia Hijab Abla Maayah Dr Khalil Hindi Dr Raef Zreik
Company registered number	02171893
Charity registered number	1029450
Registered office	Tower House 226 Cromwell Road London SW5 0SW
Director General	Ziad Khalaf - Ramallah (Retired 31 December 2018) Fida Touma - Ramallah (Appointed 1 January 2019)
Independent auditors	MHA MacIntyre Hudson Chartered Accountants New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ
Bankers	EuropeArab Bank 73 Brook Street Mayfair London W1K 4HX NatWest Bank Plc South Kensington Station Branch PO Box 592 18 Cromwell Place London SW7 2LB
Solicitors	Thomas Eggar 75/76 Shoe Lane London EC3N 3JB

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees present their annual report together with the audited financial statements of the Foundation for the year 1 January 2018 to 31 December 2018. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

This report provides an executive summary of the most important activities and projects that took place in 2018 and includes key performance indicators, challenges and issues of note. The report is divided into the main administrative divisions of the Foundation: General Administration, Finance and each of the five main programmes: Child Centre - Gaza, Educational Research and Development, Culture and Arts, the Public Programme (Palestine) and the Mosaic Rooms (London).

OBJECTIVES AND ACTIVITIES

Objects

The object of the Charity is the advancement of the education of Arabs in general and of Palestinians in particular; and the advancement of the education of the public in Arab and Palestinian studies.

Activities

In 2018 the Foundation abided by its 5-year Strategic Plan (2013-2017) which was extended for one year based on the Board of Trustees decision in 2017; success is measured based on the achievement of set annual objectives, and by commissioning external evaluation studies of the different activities. To achieve its stated goals and objectives the Foundation operates through its five principal programmatic tracks:

1. **Culture and Arts Programme (CAP)** is the main grant making activity at the Foundation. CAP offers grants, residencies, awards and training in all fields of cultural practice. The core criteria for awarding its grants are excellence, creativity and innovation. Grants and awards follow a procedure approved by the Board, are announced through open calls, and judged by external juries. Based on CAP's well documented and credited track record in supporting culture and arts, it has successfully developed long-term co-funding programmes in various fields, most recently in the visual arts with the Swedish Development Agency (Sida).
2. **Educational Research and Development Programme (ERDP)** is focused on the formation and development of teachers in Palestine and contributes directly to the Foundation's goals of supporting a critical public discussion on culture and education, as well as promoting progressive educational and cultural policies that respond to society's evolving needs. ERDP adopts a long-term participatory approach with teachers in all fields of knowledge with the belief that they can be agents of change in their community. In the Drama in Education track as well as the Early Childhood one, teachers are engaged through workshops that vary in duration and complexity. ERDP also founded the Interactive Science Studio, which is a design and fabrication workshop of educational science exhibits, where teachers, families, artists, and scientists meet in different capacities to explore science-related themes and ways to improve science education. The programme also runs the Foundation's public library in Ramallah, publishes a journal on education and provides support to teachers' forums and other initiatives.
3. **Child Centre - Gaza** is a full-fledged cultural centre that caters to children aged 0-15 in the Gaza Strip. Centered around one of the biggest children's libraries in the region (with over 100,000 library materials & books), the Centre offers all day scheduled and open activities to children, families, professionals and institutions. The annual calendar is built seasonally. During the school year activities are organized with schools while in the winter and summer breaks these are open to the public, and in coordination with child-focused community organizations. Annual plans include short term trainings, long term courses, annual festivals and special projects on a wide spectrum of educational and cultural themes and topics

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(arts, audio-visual production, science, technology, etc.). The Centre's activities directly feed into the Foundation's main goal of contributing to a society that adopts human knowledge in its various dimensions through providing children with different experiences that nurture critical thinking and by engaging with parents, teachers and professionals who work with children. The Centre also reaches out to remote areas of the Gaza Strip through an extensive outreach service and mobile library, thus increasing its network and impact and creating an infrastructure of partners that share its values and objectives. The Centre's activities also contribute to the Foundation's goal of offering an inspirational model of institutional performance. Approximately 50,000 children benefit from the Centre and its outreach programmes annually.

4. **The Public Programme** organizes and implements the Foundation's events and activities at its Cultural Centre in Ramallah, and in Palestine as a whole, including exhibitions, commissioned research, musical performances, plays, readings, film screenings and so on.
5. **The Mosaic Rooms** is a non-profit art gallery and bookshop dedicated to supporting and promoting contemporary culture from the Arab world and beyond in London, through free contemporary art exhibitions, a multidisciplinary events programme including film screenings, current affairs talks and book launches, and a learning and engagement programme. MR work in partnership with local, national and international organisations to disseminate their arts programme to the widest possible audience – in London and beyond. Previous collaborations include partnerships with The British Museum, ICA, Shubbak Festival, London Design Festival and London Festival of Architecture, amongst many others. MR also organize the annual Edward W Said London lecture. MR believe in the importance of creating a cultural space that presents new thinking and daring creativity, illuminates ideas, inspires understanding, and interrogates contemporary issues. Its vision is for a London audience with a more informed, engaged and critical understanding of Arab culture and society.

Each programme builds its annual plans with reference to the approved strategic plan.

ACHIEVEMENTS AND PERFORMANCE

1. CULTURE AND ARTS PROGRAMME (CAP)

1.1 Highlights

- 16 new grants in the performance arts under the 'Connections: Relations through Arts' project.
- 9 visual arts projects continued, with some completing. They involved 200 artists engaging in new projects, many of whom received remuneration, and an opportunity to engage 235 young artists in training and capacity building programmes, enabling them to develop skills, knowledge and opportunities to make a living from this field of work.
- 16 new scholarships in the field of music, performing arts, and cultural management: 11 for music, 3 for theatre and dancing and 2 for cultural management enabling selected students to pursue their studies in various international institutes around the world. Meanwhile 4 students completed their BA and MA studies and many have started working and/or are engaged in new projects.
- 3 artists in residencies; 10 writers participated in an international theatre workshop and 42 artists in the 2018 Young Artist Award.
- Regarding artists benefiting from the Foundation's programmes who lead initiatives in the society outside the framework of the Foundation's support, the programme continues to monitor the result which requires significant follow up. With the presence of the general programme, establishing practical relations and ties with those beneficiaries and programming their contributions and works, whether under the Foundation's programmes or through cooperation with other institutions, has become easier and more realistic. There are many examples such as Bishara Harouni and the cultural action (Made in Nazareth project) that he leads in the city of Nazareth. There is also Alaa Abu Sa'a from the Tulkarem area, Ahmad Toubasi and his

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role in theatre work in the Jenin city and refugee camp, the cellist Naseem Al Atrash (Video on Lifta) and many others.

- The programme supported 13 international and local festivals with interests ranging from contemporary dancing to music to theatre to cinema and folklore that in total presented 166 film screenings and 143 performances with the participation of 320 artists and academics as well as local and international groups. These performances reached audiences of 58,715 from diverse age and social groups. Through its quarterly grants, the programme supported 23 different art events and projects in the fields of literature, visual arts, and performing arts that made 81 performances attended by 14,476 people.
- The number of events supported by the Programme reached 479, attended by more than 98,000 people. They were organised in Nablus, Ramallah, Birzeit, Jerusalem, Bethlehem, Bet Sahour, Jericho, Gaza Strip, Haifa, Tarshiha, Jenin, Aida Camp, Dheisheh Camp, Balata Camp, al-Arub Camp, Terat al-Muthalath, al-Zababda, al-Naqab, Hebron, al-Jiftlic, al-Ghour area and Tulkarem. Some of these events were also organised in Syria, Lebanon, Algeria, Jordan, Tunisia, Egypt, France, Germany, South Korea, Canada, Spain, Switzerland, Chili, England, Japan, Norway, Belgium, Morocco, Turkey and Iran.
- Provided support for 9 individuals and/or organizations in different international events, contributing to building a wider base for the Palestinian culture abroad.
- 6 books were published, including 3 of poetry, 2 short story collections and 1 novel.
- Regarding developing visual arts in Palestine to make it more vibrant and sustainable, Visual Arts: A Flourishing Field Project (VAFF) was launched.
 - 8 Grant agreements with a budget of 14,327,161 SEK (£1,279,682) were signed with organizations in the West Bank, Jerusalem and Gaza to carry out large scale and diverse interventions in the visual arts.
 - In addition, 27 participants from the West Bank and Gaza met to discuss issues related to visual arts audiences. In the same vein, a workshop of 18 participants was held to strengthen organizations' relationships with their audiences.
 - Concerning the administrative achievements of the grant-winning organizations, five of them completed their strategic planning during this period and employed 16 new personnel, including 5 artists. 4 organizations prepared the infrastructure and 5 others developed a resources development plan and hired 6 capacity building consultants.
 - Concerning these organizations' project related achievements, they produced 11 projects including exhibitions, visits to artists' studios.
- Finally, to further support communities to identify and solve their problems through artistic and cultural interventions, the programme worked with ERDP to carry out the third round of the Culture, Arts and Community Participation Project, funded by SIDA. Within this framework four new grants to carry out four different projects were awarded. This was achieved after long-term interaction with the beneficiary communities.

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1.2 Overview of Outcomes and Successes

- CAP offered grants and organised different interventions and projects including the 2018 Young Artist Award, production grants, scholarships, seasonal grants and residency programmes. It published a number of books recommended by the Young Writer Award and prepared capacity building initiatives, especially in writing for theatre. It also contributed to organizing the Palestinian Flemish Festival in the Belgian city of Ghent and in Ramallah in Palestine. This was a rich exchange that led to significant events, including a visit by the Prime Minister of the Flemish government to Palestine and the generation of a new cultural relationship between Palestine and the Region of Flanders.
- Second round of the "Culture, Arts and Community Participation" Project was completed. It was funded by Swiss Agency for Development and Cooperation which also funded its third round and its extension to 2019.
- Continued Visual Arts for A Flourishing Field (VAFF) funded by SIDA. SIDA provided three additional grants paving the way for signing 8 grant agreements in the field of visual arts in the West Bank and Gaza.
- Selat Project (Link through Art) completed its third three-year round (2015 - 2018) with the establishment of the "Performing Arts Lab", a training workshop for capacity building among the youth, mainly Palestinian and Syrian refugees and Lebanese participants and in cooperation with the Hamana Artist' Residency.

1.3 Key Challenges, Obstacles and Opportunities

- CAP increased its interventions and effectiveness at different levels. It concentrated on capacity building and broadening the base of its partnerships. It also distributed new grants, including Visual Arts: A Flourishing Field; Selat; Culture, Arts and Community Participation, and managed core tasks including evaluation. A significant obstacle arises from the limited human resources available. Restructuring the programme is planned which is hoped will be consistent with the restructuring of the Foundation to ensure increased efficiency of all the programmes.
- The expansive geographical scope makes it difficult for the team to reach certain areas, especially in Gaza, historical Palestine and Lebanon which in turn makes it difficult to follow up supported projects and deprives some interested people from taking part. It is particularly difficult for artists of the Gaza Strip to participate in activities which require them to travel outside Gaza. Managing the Selat Project due to the geographic distance between Ramallah and Lebanon has also been difficult at times.
- Repeated problems making financial transfers to organizations benefiting from Selat in Lebanon which poses new challenges that will require a radical solution if it is decided to continue with this project in the future.
- VAFF has special challenges because of the lack of openness of some of the beneficiary organizations. It requires significant effort to push these organizations to effect change and adopt accountability mechanisms. Furthermore, the concentration of resources within the Foundation gives rise to accusations of it exercising a dominant role in the field.
- Some of the VAFF-grant winning organizations don't have adequate teams or project implementation experience and lack professional reporting mechanisms. This increases VAFF's own team's workload, forcing them to provide additional assistance to effectively deliver the projects.

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1.4 Monitoring and Evaluation

- An evaluation of CAP's activities over the past ten years was undertaken during the period. The Foundation commissioned Mukhtar Kokash to lead the process. The team provided all necessary data and positively cooperated to make it a success. The outputs of the evaluation were very positive, confirming the importance of the programme and its impact on the cultural scene in Palestine and beyond.
- The mid-term evaluation of Visual Arts: VAFF was undertaken by an independent expert to cover eight projects implemented in the West Bank, Jerusalem, Gaza and also project management generally. The programme is also preparing the evaluation of the second round of Selat: Links through the Arts, which will include a round-table meeting planned with Prince Claus Fund's representatives in Beirut in April 2019, which will discuss an extension to the partnership, how Selat communicates in light of the challenges it faces and, in particular, money transfers between Palestine and Lebanon.
- CAP staff regularly attend as many activities and events as possible to keep abreast of beneficiaries standards and technical capabilities, as well as the response of audiences and the press. This is part of the ongoing evaluation of the programme's performance and its impact on the cultural scene. However, movement restrictions, mainly in Gaza and historical Palestine, prohibit staff from monitoring the projects effectively. In addition, excessive workload makes it difficult for staff to leave the office or make field visits. Despite these constraints staff are making more field visits.
- The programme is keen to deal with independent juries to evaluate its different projects, listens intently to the comments and notes of these juries and takes feedback into consideration when developing projects.

1.5 Budget

- Expenditure vs Budget across the different activities of CAP was as follows:
 - Arts and Literature Unit: 92%
 - Culture, Arts and Community Participation Project (grants item): 94.5%
 - Selat – Link through Art: 92%
 - VAFF: 66%

1.6 Overview of Significant Issues and Recommendations

- AMQF should have an appropriate system for building a dynamic database based on its needs and the nature of its work. It should also acquire a bespoke Grant Management Software.

2. EDUCATIONAL RESEARCH AND DEVELOPMENT PROGRAMME (ERDP)

We realize that our work has witnessed several shifts and turning points over the past years that, cumulatively, have helped develop knowledge that will enable us to face the challenges the move to the new Cultural Centre presents. After years of preparation, developing concepts and ideas, research and brainstorming, we are at the threshold of anticipated transformation based on our expertise in education.

During this year, the Science Studio organised a very important dialogue under the title of "Food Revolution: Facing the challenges by 2050" as part of its Science Days Palestine Festival. The event was about the major challenges that we and the earth face at the environmental, cultural and social levels and engaged and attracted interaction from all members of society during a one-month period in 22 locations throughout Palestine. 2018 was also the year for assessing the results and impact in terms of the project for Culture, Arts and Participation in its third year. The project received new funding from Swiss Agency for Development and Cooperation for an additional year. The project produced visual and community artworks that the community was engaged in shaping, researching, exploring and mobilizing through exhibitions in six locations, namely: Qattana, Khan Younis, Anabta, Jericho, Qalqilya and N'lin. The projects involved an artistic and a research dimension, revolving around art as a context for understanding society and its transformation.

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The Summer School: Drama in the Educational Context was convened for the 12th year in the city of Jerash in August. The team sees an opportunity to develop it into something new with a different and wider scope ready for expansion within the Arab world.

In the same area, the forum of drama teachers reconvened following several years of interruption. It invited all the teachers who took part in the Summer school, the winter courses, and the professional development programme in early childhood. It is hoped that it will be the launch pad for regular meetings between teachers from the various Palestinian governorates and for the establishment of a structure for communication among teachers and the A. M. Qattan Foundation.

The teachers who are members of teachers' forums in various locations implemented scores of activities and events engaging students, other teachers, and members of the local community, the of which were delivered in partnership with civil society organizations and schools.

The programme for the professional development of early childhood teachers began with 45 teachers. 70 kindergarten teachers from Palestine engaged with three teachers from three UK kindergartens as part of an exchange programme.

The programme team prepared a plan to launch the children's section within the new Laila Al Qattan library to enable getting closer to the dilemmas and mystery of our lives. In the library one can find materials produced by humans, the archives and documents, yet in itself the library is not a space; when we occupy the library, we are in a state of movement and preoccupation that forces us to contemplate or think outside to something or someone beyond our selves, enabling us to build and create new meanings in other places.

In planning for the move to the new Cultural Centre, the team - together with partner teachers - is gearing up to occupy two interactive spaces: the puppet-making studio and the model classroom. Within the next few months, the two spaces will be part of an integrated education journey that students, teachers and families will go through and that is linked to the history of art, natural sciences, enjoyment and investigation.

All activities included in the Strategic Plan were undertaken. However, this work was not without new initiatives whether within the regional teachers' forums, or those that are overlapping with the other tracks of the programme such as the creation of a programme for professional development through the forum's theatre inside and the professional development through story-telling track in Gaza.

The component of publication and translation provided diverse sources and references on pedagogical aspects including children's literature, and the traditional assessment and testing system.

The contribution to the international dialogue is not limited to publication and translation but extends to Arab and international participation in conferences, research seminars, training workshops, and science festivals, through which ties and relations with several institutions are forged.

3. CHILD CENTRE - GAZA

The reporting period covers the four programme cycles: Summer, Autumn, Winter and Spring. Summer and Winter are the greatest challenge as the demand for services is huge, sometimes exceeding expectations. During these periods, alternative entertainments for children in Gaza are almost non-existent.

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3.1 Highlights

- Enriching and developing the mobile library: The centre purchased 1,113 new books bringing the collection to 3,816 books.
- Design and implementation of programmes and specialized workshops that support the professional development of those who work with children:
 - A training course for librarians
 - The Centre presented a paper on "Risks of misuse of the internet for children" organised by Atfaluna Society and delivered a training course for mothers on the same topic.
 - Trained 34 teachers under the Project of Enhanced Education.
 - Trained 31 kindergarten teachers with co-funding by Save the Children.
 - Extra-curricular educational programmes in the fields of science, IT and technology
- Delivered 10 training programmes and 26 courses in programming, design, animation films, motion-graphic design, robotics, and electronics. 785 children (girls and boys) benefited equally. The courses included 48% males, and 52% females.
- The Technology Programme included:
 - Robotic engineering
 - Smart electronics programme
 - Motion-graphic and animation programmes
- Young Technician Programme
- The Programmers' Club for building and prototyping electronic projects.
- Creative experiences:
 - Ballet and aerobics
 - Popular Dabkeh dancing
 - My Country's Heritage
 - Drama in Education
 - Fourth Rosana festival
 - Clay sculpting
 - Architecture
 - Palestinian embroidery
 - Cartoons
 - A painting and a painter
 - Animation D2 and D2
 - Young Painter Club
- Providing opportunities for participation in international and local events:
 - Science Days in Palestine Festival "Food Revolution": around 4,062 visitors, including members of the centre and more than 30 schools (governmental – UNRWA - private) taking part in Science Days in addition to many kindergartens. Activities included a nutrition clinic, food safety, scientific films, green solutions, in addition to the bio-technology corner and others.
 - Organised Startup Weekend Kids 2 in partnership with the Higher Council for Creativity and the Google developers' team for the second time. This is one of the international creative entrepreneurship events that aims to encourage potential entrepreneurs aged 9 - 15 to learn the principles and basis of entrepreneurship and develop their communication, team-building, problem-solving and decision-making skills.
- Develop and implement joint parent-children programmes for children under the age of 6
- New partnerships with existing and potential donors:

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- Through funding from the Bank of Palestine, the Mobile Library project continues at schools, civil society organizations, hospitals, public places and traditional family venues in remote and marginalized areas throughout the Gaza Strip.
- Through funding from the Welfare Association, the Centre worked on Wajd project for the fourth consecutive year.
- Through the partnership with Norwegian Refugee Council, the Centre implemented the Enhanced Education Project by targeting 10 primary schools in north Gaza governorate.
- In partnership with Save the Children, the Centre embarked on the implementation of the Early Childhood Care and Development (ECCD) project. The project will continue until end of February 2022.
- The Child Friendly Zones project was implemented through co-funding with GIZ-Civil Peace.

3.2 Challenges, obstacles, and opportunities

■ **Challenges:**

- The way the library is designed is such that all groups can move freely in an open space and children create a lot of noise which challenges the implementation of activities during holidays or prime hours. Work is being done to sound proof and isolate the upper arts area.
- Difficulties in procurement of computers, their accessories and spare parts, and scientific and technology supplies due to Israeli restrictions at the crossings and the special permits for entry into Gaza Strip.
- Increasing demand for services particularly during the summer and winter breaks. This has been addressed by opening areas for emergency activities and using the hall and garden of the nearby Isaad Al Tufula centre.
- Increase in levels of violence among children in early adolescence and the preoccupation of parents with everyday issues in view of the deteriorating economic conditions and the absence of a sense of safety and stability.

■ **Obstacles:**

- Providing the library with stories and books from abroad due to their unavailability locally and delays getting these books into Gaza.
- Over- crowdedness of the centre's facilities during the Summer and Winter breaks and restricted availability of the Isa'ad Al Tufula hall and garden (at specific times and for training courses only).
- Weak cultural and creative dimensions and elements in educational curricula.
- The limited or high cost of services provided during the holidays is a constant pressure and can create challenges.

■ **Opportunities:**

- Access to the halls and garden of Isa'ad Al Tufula and organization of camps outside the centre as well as the sound insulation of the lower drawing hall to reduce the noise that results from activities in the upper drawing room and the second group simultaneously.

3.3 Programme management issues

■ **Coordination and synergy with other programmes:**

- Ongoing technical support for research and development in Gaza, and for administration and finance, procurement, and health insurance.
- Halls are available for meetings related to the Foundation's programmes via the video-conference technology.

■ **Monitoring and Evaluation processes:**

- Discussions, monitoring, and evaluation processes take place before and after each programme cycle. Annual and programme plans are prepared including the entry and updating of data on the e-platform. Evaluations are conducted for the programme cycles in addition to obtaining the necessary statistics.

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3.4 Recommendations

- Take additional measures to deal with the over-crowdedness during the Summer and Winter breaks, such as sound proofing and isolation of the upper drawing room.
- Develop and re-design the furniture in the computer lab to correspond to the number of computers.
- Provide more training courses for the staff.
- Provide the opportunity for staff to visit annual book fairs and participate in the process of supplying books to the library.
- Continue work on fundraising and enhancing partnerships to develop activities at the child-friendly zones transferring the Centre's expertise to these areas including in the field of science and technology.

4. PUBLIC PROGRAMME

4.1 Course of implementation according to the targeted outcomes:

- Al-Qattan Tours Programme (in cooperation with the Department of Public Relations and Outreach): 4 tours of the new Cultural Centre involving 90 people from different regions. 1,500 cloth bags and T shirts were printed out and distributed.
- Dark Room Programme:
 - In cooperation with the curator of short films at the Berlin Cinema Festival, Maike Mia Hohne, two collections of short films were screened five times. These films were part of the Subcontracted Nations exhibition.
 - The programme hosted Director Hind Shoufani during the screening of *Trip Along Exodus* and artist Mahir Abu Samra (via Skype) during the showing of *We were Communists. Scenes of the Ottoman Empire* were screened in cooperation with EYE Museum in Holland. Students of the Edward Said Music Academy performed to an audience of 66. In addition, *The Square*, directed by Ruben Ostlund was screened with interactive installation work, including use of food by artist Merna Bamia.
- 20 Days Programme: Rand Khudier, a media specialist, was contracted to prepare 12 television episodes to bring the viewer closer to the cultural scene and the detail of its production. In 2018, she produced the logo and the first episode of the show to be submitted to the Board in January 2019.
- Qalandia International Programme, 2018: this was the Fourth Qalandia International Biennial. In partnership with Birzeit University Museum, the Public Programme launched the sixth edition of the Cities Exhibition: *Lydda, A Garden Disremembered*. It marks the partnership between both organizations under the festival, and around the theme of solidarity. Four researchers and six artists participated in the exhibition. 3,479 people visited the exhibition between October and December, including 51 schools from different parts of the West Bank. A number of related activities were organised including nine lectures. A symposium on the city of Lydda was held under the title of Lydda Talks by a number of researchers: Hadeel Yacoub, Manal Masalha, Razan Khalaf (by Skype) and Tareq Khalaf.
- Through a grant from the Volkswagen Foundation, the Foundation began the project "Solidarity Manifesto" which is a research component of its activities at Qalandia International. It sheds light on the concept of solidarity through dialogues between different community groups. These dialogues were documented to support the drafting of a manifesto about solidarity in 2019.

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Exhibitions Programme:

- the inaugural Exhibition of the new Cultural Centre, *Subcontracted Nations* included 53 artistic works with the participation of more than 66 local and international artists and was the largest exhibition ever inaugurated in Palestine.
- *The Near I Can't See and the Far is Near Me* exhibition was lent to Tishreen Society in Taibet al-Muthalath in historical Palestine. The exhibition ran from March 1 until 1 April 2018.
- Two parts of an exhibition on "Women and Revolution" were compiled in partnership with the Women's Studies Institute at Birzeit University. They are also displayed in Gallery (1) and Ramallah Cinema Club as well as Birzeit University Museum. The exhibitions opened on 15 February, 2018.
- Young Artist of the Year 2018 Award (YAYA) was produced in partnership with Cultural and Arts Programme, curated by artist Emily Jasir. The Public Programme supported the curator by liaising with the artists, designing the exhibition, organising parallel activities and the inauguration and prize-giving ceremony.
- *Recycled Fashion Show, 2018*: four designers produced their collections during the second stage of the project which ended with a fashion show as part of the inauguration of the Cultural Centre in the presence of 300 people.
- Innovations at Margins Programme: In partnership with Riwaq and Assira ash-Shamaliya Municipality and Club, an exhibition was organised in the village in addition to a four month residency.
- Music Programme: Ten concerts were held during and after the opening of the Cultural Centre. The first was *Views* by composer Bishara Khil from Nazareth performed on 28 June as part of the inaugural party.
- In cooperation with CAP, a contract was signed with DAM (rap group) to perform to 300 people on 30 June as part of the inaugural programme of the Cultural Centre. Other shows performed during the year included: A show by Pop Drama Band from the United States. 240 people attended this show which was led by the Palestinian musician Nael Yousif and Lutfia Rosa Bila; a show by Ramsis Qisis titled *Debate*, attended by 150 people; *Love without Story* by Faraj Sulaiman attended by 170 people; Mena Band attended by 180 people; *Beloved* for the Arab Musical Group (Nawa) attended by 160 people; *Where are You?* by Siraj attended by 140 people and *Ramallah Syndrome* by Cylinders Band, Shadi Zaqtan and Ahmad Miza'ru, Nour Rai', attended by 170 people.
- Theatre Programme: seven performances were hosted including *Two Aliens* by Yes Theatre attended by 50 people; the puppet show *Hansel and Gretel* by Latuni Hadad, attended by 160 people; *The Zoo* by Eid Azeez, attended by 70 people, *Taha*, one-man show by Amer Hleihel – one in Arabic and one in English. 283 and 51 people attended respectively

4.2 Contribution toward Achieving Targeted Change and General Goals

- Providing support for communities' self-reliance in the fields of culture and education:
 - Creating inspiring and sustainable models to be followed through Wednesdays' residencies programme in cooperation with Khalil al-Sakakini Centre during the period August 2017 - February 2018. This was an exhibition and a series of performances starting from 24 February through mid-March 2018. This programme included "Innovations at the Margins" in partnership with Riwaq Centre and the Asira ash-Shamaliya Municipality and Club where a four-month residency was carried out last year. The Municipal Council announced during the inauguration of the exhibition that the 17th of February of every year would be Art Day.
 - Under the Al-Qattan Tours Programme, PP in cooperation with the Media and Public Relations Department organised three public visits to the new Cultural Centre before its inauguration.
 - It also contributed to Qalandia International Festival of 2018 with "Solidarity" as its theme, in partnership with Tishreen Society at Taibet al-Muthalath in historic Palestine where the exhibition *Near I Don't See, Far is Near Me* was transferred from 1 March until 1 April 2018.
 - Two parts of the *Women and Revolution* exhibition were transferred as a single exhibition to Birzeit University Museum from 15 February until 15 April 2018.

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- In cooperation with the Institute for Palestine Studies and CAP, a book of 11 stories of Palestinian refugees was published and a symposium *The Wildly Improbable* was organised in cooperation with Haus der Kulturen der Welt, Berlin.
- In partnership with Birzeit University at Qalandia International Biennial 2018, the Public Programme launched the sixth edition of the *Cities Exhibition: Lydda "A Dismembered Garden"* with the participation of four researchers and six artists.
- Encouraging volunteerism and community initiatives through the Monthly Mentoring Programme which recruited five fresh graduates to the Public Programme.

4.3 Promoting Dialogue and Social Interaction in Culture and Education:

- Promoting society's appreciation of culture and education through working (in cooperation with CAP) on coordinating the activities of the new Cultural Centre programme for 2019.
- The inaugural exhibition of the new Cultural Centre, *Subcontracted Nations* was opened and installed. It included 53 artistic activities with the participation of 66 local and international artists, three talks with international artists and three panel debates on topics related to the theme of the exhibition.
- Promoting and Improving Palestine's Cultural and Educational Presence at the Arab and International Levels:
 - Promoting the presence of the Foundation's programme at the Arab and international level by producing a publication titled *Chat Over Palestinian Landscape Image* for the exhibition of *Habitar el Mediterreni* at IVAM in Valencia in Spain.
 - Encouraging and promoting cultural exchange between Palestine and the world by inviting nine international artists to take part in the *Subcontracted Nations* exhibition. They participated in the opening of the exhibition, press interviews and reception of the audience. Some of them gave lectures about their activities with the Foundation.

4.4 Developing the Institutional Environment

- The Public Programme oversaw the major events of the inauguration programme of the new Cultural Centre. A Programme Activities Coordinator was recruited, logistical, administrative and financial affairs were coordinated between various programmes and the space and technical arrangements were prepared to start the four-day inaugural programme. The format and content of the new Cultural Centre's brochure was re-designed and 1,500 copies printed. T-shirts and cloth bags were designed and 1,500 copies of each were produced.
- On 28 June, a contract was signed with DAM to perform during the inauguration ceremony on 30 June. Postcards of the Child Centre's drawings titled "Gaza Carpet" were printed and video artist, Blake Shaw, was invited to give a video performance during the inauguration ceremony.

4.5 Programme Management

- **Public Programme Structure**
 - The functional structure is still incomplete due to lack of appropriate competencies in Palestine. We continue to search but may need to invest in training and further education opportunities for local talents.
 - We also need to train and develop staff in particular disciplines.

4.6 Evaluation and Monitoring

- The Public Programme closely monitors and attends all its activities to keep abreast of the technical, intellectual and organisational progress as well as the response of the audience and press.
- Staff have constant dialogue with their partners to ensure the success and quality of the projects.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

4.7 Key Issues and Recommendations

- Develop an MA programme in Critical Curatorial Studies in cooperation with an international university to create appropriate competencies to be employed by the programme and partners of AMQF.
- Provide opportunity for staff training.
- Provide opportunity for learning about international activities.
- Pilot an annual theme of part of the programme's activities for 2019 - 2021 to better frame content and provide greater coherence for its components.

5. THE MOSAIC ROOMS

Visual Arts exhibitions in the year were:

The Gap Between Us – Basma Alsharif 19/01/18 - 31/03/18

The Gap Between Us is the first UK solo exhibition by artist and film-maker Basma Alsharif, featuring three key works from different periods of the artist's practice.

ARABÉCÉDAIRE – Hamed Abdalla 13/04/18 - 23/06/18

This solo exhibition is dedicated to the influential Egyptian modernist painter Hamed Abdalla (1917-1985). *ARABÉCÉDAIRE* explored Abdalla's extensive archives and library, looking at him both as an artist and as a researcher. Curated by Morad Montazami, it was the first exhibition in the UK of this significant Egyptian artist.

What do you mean, here we are? – Townhouse Gallery, Cairo 6/07/18 - 15/09/18

What do you mean, here we are? is a retrospective of the renowned Townhouse Gallery in Cairo, Egypt.

Behjat Sadr - Dusted Waters 28/09/18 - 8/12/18

The Mosaic Rooms presented the first UK exhibition dedicated to Behjat Sadr (1924-2009), now regarded as one of Iran's most influential and radical visual artists. Curated by Morad Montazami.

Visual Arts Press

This year The Mosaic Rooms commissioned PR support from Reiber and Partners to run a campaign, starting in April 2018, aimed at the UK press to publicise the 10th Anniversary exhibition series. The Mosaic Room has worked closely with Reiber to deliver the campaign. Non-UK coverage remains in-house.

The Gap Between Us by Basma Al Sharif attracted coverage in regional specialist publications with a feature in The National and in the Arab Weekly. The White Review featured an interview with Al Sharif.

The launch of the 10th Anniversary programme began with *ARABÉCÉDAIRE*, an exhibition of work by Hamed Abdallah and drew in depth coverage in key publications specifically targeted by the press campaign. The anniversary and the exhibition were covered jointly with feature articles in Frieze, Elephant magazine and Art Daily. The exhibition was critic's choice in The Financial Times. Coverage was also included with the news of the A.M. Qattan Foundation building published in The Art Newspaper.

Townhouse received an in depth feature in the Financial Times arts section, and in the National online, both included interviews with the exhibition's curators. London Live filmed the gallery for an arts broadcast and the exhibition was covered in Apollo art magazine, Harpers Bazaar Arabia and Al Araby Al Jadid among others.

The exhibition *Behjat Sadr: Dusted Waters* attracted coverage in Elephant Magazine, was a critics' pick in the Financial Times, and was featured in Sothebys Magazine and the art magazine Art Asia Pacific. It was also featured in region focussed publications including Middle East Eye and the New Arab.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Literary and other cultural events

To accompany each exhibition there was an associated artist/curator talk or tour: Artist **Basma Alsharif** was in conversation with Deputy Director at LUX, **Marla Palacios Cruz**; curator **Morad Montazami** led a tour of *ARABÉCÉDAIRE*. Townhouse Director William Wells led an afternoon of conversation on the history of Townhouse Gallery and more broadly on the role of art produced in zones of conflict and oppression. Participating speakers, **Negar Azimi**, **Naira Antounis**, **Stephanie Balley**, **Narlam Elnozahy** and **Ania Szremski** and the gallery's **Mariam Elnozahy** also led a walking tour. Artists **Wouter Osterholt** and **Elke Uitentius** spoke to **Laura Carderera** (V&A) about their project 'Model Citizen'. Curator **Morad Montazami** led a tour of *Dusted Waters*. Other events included book launches, readings and debates.

Publications

Zaman Books in collaboration with The Mosaic Rooms published a new book on Hamed Abdalla. The book was launched at a special event with curator **Morad Montazami**, and curators **Kristlne Khouri** and **Clare Davis**.

Film screenings

An evening of short films curated by **Basma Al Sharif** featuring *Foyer* by Isma'il Bahri set in Tunis and *Electrical Gaza* by Turner Prize nominated Rosalind Nashashibi and *Dislocation Blues* by Sky Hopinka which reflects on Standing Rock in the US; screening of *The Battle of Algiers* followed by a discussion with **Sohail Daulatzai**, author of a new book on the legacy of the film and its enduring relevance; **Olivier Hadouchi** presented two evenings of films that try to re-think, re-invent and re-open the visions and perceptions of history. The first, *Zerda and the Songs of Forgetting* (1982) by Assia Djebar, was followed by a Q&A with Olivier Hadouchi; the second was a double bill with Christian Ghazi's *The Hundred Faces of One Day* (1972) an avant-garde film of Palestinian resistance fighters, followed by the 2017 documentary *A Feeling Greater Than Love* which uncovers the history of the factory protests in 1970s Lebanon; an evening of Egyptian shorts curated by **Ahmed Shawky Hassan**; performance artist **Noor Abuarafteh** presented *Museum of all Museums*, a lecture performance which proposes that museums will become obsolete in the near future; **Oliver Chanarin** reflected on Broomberg and Chanarin's exhibition and research on Egyptian Surrealism and their residency at Townhouse; screening of *In the Last Days of the City*, followed by a Q&A with actor and filmmaker **Khalid Abdalla**; in collaboration with the Iranian Film festival, a screening of Dariush Mehrjui's masterpiece, *The Cow*.

Supper Clubs

A collaborative supper club with Palestinian fair-trade food suppliers **Zeytoun** with head chef at Damascus Chef, **Abdullah Al Awayed**; Chef and cookery writer **Anissa Helou** served up an Egyptian meal to celebrate her forthcoming cookbook, *Feast*.

Lates Programme

'*Maybe we should talk about something romantic*', a late opening of Basma Alsharif's, *The Gap Between Us*, an evening of classic Arabic love songs with a selection of love potion cocktails from the bar; '*love & revolution*', a late opening of Hamed Abdalla's *ARABÉCÉDAIRE* with a special dance performance by **Zosia Jo**; late opening of '*What do you mean, here we are?*' presented in collaboration with **Taqasim Music Foundation**; sound artist **Cyrus Goberville**, grandson of the artist Behjat Sadr, staged an experimental musical performance in response to the exhibition.

Workshops

Tim Garside led an uplifting and fun workshop in Nubian/Egyptian frame drumming.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Anniversary party

The Mosaic Rooms celebrated its 10th year anniversary with an evening reception with live music throughout from a DJ from 47Soul, canapes by Iraqi chef Philip Jouma, and special lighting and flowers. Invitations were sent to all previous participants in the programme, as well as partners and collaborators. The event was also used as an opportunity to establish new relationships through inviting prospective key contacts from institutions and funders in the UK.

Offsite collaborative events

The Mosaic Rooms supported an event with artists **Rami George** and **Tako Taal** in collaboration with LUX Salon, an event with artist **Jumana Emil Abboud** at Tate Modern and an event at Parasol Unit with artist **Maryam Monalisa Gharavi**.

The Mosaic Rooms' urban garden participated once again in **Open Garden Squares Weekend**. This year it featured a special food pop up by *What the Fattoush*, serving vegan Palestinian food and attracted 443 visitors.

2018 Edward W Said London Lecture

The writer and journalist Amira Hass delivered the 2018 Edward W. Said London Lecture at The Royal Geographical Society. Hass has reported from Occupied Palestinian Territory since 1993 for Haaretz and is the author of two books including *Reporting from Ramallah* (2003). Hass's lecture was entitled: *The Preventable: Israeli Fantasies and Techniques of Population Expulsion*. 540 attended.

Learning

This year The Mosaic Rooms piloted learning engagement in informal environments with three key audiences: families, school students and young people.

Family Fun These monthly workshops programmed by artist Dia Batal aim to engage children and their families from Arab and non-Arab backgrounds to enjoy The Mosaic Rooms and learn about Arab culture. The Mosaic Rooms was made aware by the previous year's audience survey and anecdotally that the gallery offer is not tailored to young visitors, so the family fun workshops are a way to welcome families and provide something targeted to their interests. The workshops are free and are led by Dia together with other creative practitioners. This year the workshops have included word-based art, Dabke dancing and story-telling. This last workshop was a joint event with a neighbouring museum, Leighton House, who held a partner workshop that visitors could visit after The Mosaic Rooms. The workshops are popular and attract an average of 16 children and their families. The story telling session with story teller Alia Azaboughi drew 35 children and their families filling the gallery space to capacity.

Youth workshops Two pilot youth workshops took place in August, programmed by MR's Communications Manager, Flora Bain. The first ran in partnership with MCWG a local organisation in North Kensington which works with young people from black and ethnic minority backgrounds. It was held with artist Susan Hefuna, whose work was shown in the Townhouse exhibition, together with Townhouse educator Mina Noshy. Ten young people took part in the one day workshop inspired by Susan Hefuna's textile work. The second workshop was a four day course on Syrian cooking led by chef Abdullah Al Awayed. It was organized in partnership with EPIC CIC, a leading local youth services provider. 12 young people took part. They learned to prepare classic dishes, discussed cooking styles and healthy eating, and went shopping to learn how to select ingredients. The young people also visited the exhibition at The Mosaic Rooms. The course culminated with the young people cooking and presenting a meal to their relatives. Certificates of Achievements were awarded to the young people by chef Abdullah.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Schools workshops The Mosaic Rooms ran pilot workshops sessions with two schools in November 2018. Kensington Aldridge Academy with 20 students, and Sion Manning school, 18 students. The workshops were delivered by freelance artist-educator Daryl Stenvoll Wells, the project was overseen by Flora Bain. The pilot had two parts, a visit to The Mosaic Rooms and a return visit to the schools delivering a workshop in the classroom. The workshops were structured around *Dusted Waters*, the exhibition of Iranian painter Behjat Sadr. For the first workshop, the schools visited the exhibition and took part in a dynamic workshop of drawing activities. The second workshop began by looking at the work of Behjat Sadr, and at Sadr as a pioneering female artist in Iran. Students then explored different methods of painting and collage. Both groups of students enthusiastically participated in the workshops. The workshop structure effectively engaged the students with the exhibition, supporting them to generate work and create pieces they could use for their coursework.

Fundraising

We made successful approaches to four individuals to help support Morad Montazami's three exhibition series, totalling £14,000. We also succeeded in securing an Arts Council grant for £47,751 towards the programme from July 2018 - Sept 2019. This is our largest public grant to date and we hope marks the beginning of new stronger relationship with ACE. A further £5,000 was raised from individuals towards the Townhouse exhibition, £5,000 from Saadi Soudavar Foundation towards the Behjat Sadr exhibition and £5,000 from the Royal Borough of Kensington and Chelsea for the education programme.

Income Generation: Café, venue hire and bookshop

The Mosaic Rooms commercial activities remained focused on encouraging use of the café space and bar. However, this has limitations due to location, layout and staffing issues meaning it is not a consistent offer. This needs to be reviewed for 2019. The bookshop continues to be promoted and focused upon, though sales have been lower than predicted this year. We have also started hiring out the studio where appropriate to similar arts and culture organisations who are in need of accommodation for visiting artists. However, this needs further promotion and uptake to become a reliable revenue stream.

Previous in-house publications through our distributor Unicorn Press have been returning small but continuous monthly sales.

Marketing

We continued our marketing strategy concentrating on the distribution of print publicity and online promotion through social media. Flyers were designed and distributed through London Calling, a company distributing to galleries and arts venues. The Mosaic Rooms has continued to send flyers to its own mailing list.

After trialling print advertising at the local tube station, the audience survey confirmed that the posters do draw some visitors so we are advertising all four exhibitions on the site this year. Social media continues to be an important part of our marketing strategy with regular posting alongside paid advertising and social media swaps. We are continuing to look at making connections through partnership events and local link ups. We piloted a successful joint event with Leighton House museum (details in Family Fun programme above). The London wide Open Garden Squares again drew a high number of visitors. We also ran trial events with London organisations including a youth organisation event. We hope to continue to trial these events to develop our network of partners. In July The Mosaic Rooms took part in the borough wide event Kensington and Chelsea Art Weekend.

In house Mend Mariwany produced short interview videos with the curators of the exhibitions and artists which were shared on social media. These proved very popular and we plan to make this a regular part of exhibition communication.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Audience Research

The collection period for the audience survey came to an end in August. The data was entered and Flora Bain wrote a report analyzing the findings, which reiterated findings from the previous year. Two thirds of our visitors were first time visitors, and a third were returning visitors. We have a high proportion of visitors who identify as Arab visiting the gallery (17% contrasting with less than 1% museums and galleries nationally), and a predominantly young audience with 25 - 34 year olds making up 38% of our visitors. The main reason for visiting was 'Intellectual stimulation'. The findings were used to assess the communications strategy. For the next year we intend to use the survey to look further into other partner venues frequented by our visitors.

A second audience consultation was delivered in September. The consultation looked at The Mosaic Rooms' communication with audiences. The Audience Agency was again commissioned to deliver this consultation. The consultation spoke with a group of visitors, and a group of non-visitors. They reviewed web, newsletter and social media communications to inform future developments.

FINANCIAL REVIEW

Incoming resources in the 12 months to December 2018 were £11.9m which was lower than £22.5m in the 9 months to December 2017. Following a review of our past accounting treatment of grants and donations we have concluded that the treatment was not consistent with the principles of the Charities SORP. As such an adjustment has been made to the prior year financial statements and as a result income in 2017 has increased following a significant donation from Omar Al-Qattan, see note 25 for more details. The main source of funding for the Foundation's core programme and administrative expenses is the Al-Qattan Charitable Trust, Jersey, Omar Al-Qattan and other members of the Al-Qattan family.

Total expenditures were £7,131,100 which has increased from £4,520,885 in the previous period. The increase has in part arisen due to 2017 being a short period of account as well as a greater level of grant funding being awarded through the Culture and Arts Programme and increases in the costs of running the new Cultural Centre in Ramallah, which is now fully operational. The percentage of total expenditure vs. the approved budget for this year was 75%, which rises to 90% when excluding the building costs of the new Cultural Centre.

Overall the charity reported a surplus for the year of £6,116,213 (2017: £16,830,140), the surplus made was predominantly in restricted funds (£6,098,408) which arose from a very generous in-kind donation of listed securities from Al-Qattan Family members of £4,347,350.

During the year the charity invested significantly in its asset base, including £4,862,128 into fixed assets, of which £3,375,309 in the new Cultural Centre. Furthermore, the owners of the Al-Carmel hotel next to the Foundation's old building in Al-Masyoun (Ramallah) approached us with an offer to buy part or all of the land behind the hotel which is owned by the Foundation. The offer included options for exchange with a lot to the southeast of the Foundation's old building, based on independent market valuations. The offer was discussed between the Director General at that time (Ziad Khalaf), with the Chairman of the Board and the Investment Subcommittee which recommended to offer Al Carmel Hotel the following deal: the Foundation would sell the Hotel only 900m² of its land in return for the Hotel's own land on the southeast side of the Foundation's old building, which comprises 1,517 m² in addition to a net cash payment of 450,625 USD. The agreement was reviewed by the

As noted above, the Charity received a gift of listed securities from the Al-Qattan Family members, and is now looking at Investment policy parameters which are currently under development by the Investment subcommittee.

At the end of the fiscal year, the balance of the provident fund for employees in Palestine was £562,078, while the severance fund balance for employees in Palestine was £1,379,038.

The funds of the charity carried forward as at the 31 December 2018 were £38,119,551, of which £28,716,258 was held as restricted funds and £9,403,293 as unrestricted funds.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Reserves policy

The Foundation maintains a 100% cash reserves policy as far as its Palestine employee's severance pay provisions and employee's provident fund are concerned totalling £1,941,116. Secondly the Foundation holds an amount of cash reserves sufficient to cover six months basic operations in case of a major funding or other emergency. The aim of this reserve account is to allow the Foundation to maintain core services for a six-month period while it either addresses any financial or other emergency with alternative plans or decides to wind itself down in an orderly fashion. The amount of this fund was set at £300,000 by the Board and has been deposited into a reserve fund account.

At the year end the free reserves of the charity (as defined by unrestricted funds not held as fixed assets and investments) was £481,352 which is £181,352 in excess of the policy. The Trustees have reviewed the future plans of the charity and are satisfied that the level of free reserves will decrease in line with the policy over the coming year.

Principal risks and uncertainties

The principal risk faced by the Foundation in 2018 was related to the delays in the completion of its new Cultural Centre in Ramallah. That risk has now been mitigated. Post-completion event: in April 2019, the Foundation came to a final settlement with the contractor which included a financial settlement that took into account the remaining and remedial works which will need to be undertaken by the Foundation after the contractor has officially handed over the site. In June 2019, the entire Ramallah staff finally moved into the new Cultural Centre, which is now 95% functional. We expect all remedial works to be completed by 30 November 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

The Charity is governed by policies and procedures devised originally with support from a professional firm of auditors to cover all operations. A semi-annual and an annual report on all programmes, projects and management issues are submitted to the Board of Trustees (BoT) for discussion, guidance and approval. The BoT meets with the Management Committee (MC) of the Charity at least twice a year. The MC is composed of all members of staff at Director level and other selected senior staff.

The Foundation has a long and successful history of collaboration with other major charities and institutions, including the Ford Foundation, The Swedish International Development Agency, the Drosos Foundation (Switzerland), the Arts Council England, Taawon (previously Welfare Association), the European Union and many others. Historical and current projects have mainly been co-funding interventions in medium to long-term strategic goals. The Chair of the Board is also a Trustee of Taawon.

The Foundation has a risk matrix and risk register that is updated every year.

The Constitution of the Charity

A registered charity - a company limited by guarantee

The Articles of Association sets out the charity's purposes and its governing structure. It is supported by a Governance Manual which lays out the detail of the policies and processes in place to manage and administer the governance function.

Recruitment and Induction of Trustees

The charity may by ordinary resolution appoint a person who is willing to be trustee. Potential candidates are recommended by the Nominations Committee based on a number of criteria. These are mostly focussed on candidates' professional expertise in the Foundation's areas of work, as well as other areas such as management, audit, public relations and fundraising. Candidates are then presented for approval by the Board.

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The Chair of the Board is responsible for the induction of new trustees. An information pack is provided on appointment, meetings with relevant members of staff and trustees arranged and any training provided as needed. Newly appointed trustees must return a signed Confidentiality Agreement, Declaration of Interests and a Trustee Eligibility Form.

Remuneration policy

The Board conducts regular research on comparable remuneration packages for all key management posts. All staff with the exception of the DG are paid according to a salary scale that is reviewed regularly by the Board. The DG's remuneration is negotiated directly with the Chair of the Board.

Public Benefit

We have referred to the guidance in Section 17 of the Charities Act 2011 on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees, as well as all senior members of staff, are asked to carefully consider how planned activities will contribute to the aims and objectives they have set.

In that regard, the Trustees are satisfied that all activities and the benefits arising from them are strictly in line with the Charity's stated aims; that its activities are solely focussed on children, teachers, artists and creators; that all opportunities and benefits are offered on an open, transparent but competitive basis, while ensuring that activities are distributed across geographical, economic and social areas and strata with a specific focus on marginalised or impoverished communities (for example in rural areas or refugee camps), without compromising the quality of services provided.

6. GENERAL MANAGEMENT

The Foundation witnessed two key changes in 2018: In June, the inauguration of the its new Cultural Centre in Ramallah and, in December, the retirement of Director General, Ziad Khalaf, who had been in post for the previous 20 years and was succeeded by Fida Touma.

During the reporting period, we focussed on preparing for the move to the new Cultural Centre particularly on network design, inventory management software, a facilities management intranet and the development of a number of policies relating to the operation and management of IT and other facilities.

In terms of the final work to the new Cultural Centre, all civil construction work has been completed. By the end of the year, the contractor had fulfilled approximately 85% of its contract. Outstanding work included some electro-mechanical work and landscaping around the building. As such the building is still categorised as an asset under construction.

It was agreed to handover the different spaces of the building in individual phases, with the agreement that the contractor continue to work in parallel. Unfortunately, none of the facilities had been fully handed over (by the end of 2018) and there are extensive notes regarding the quality of work that range from minor to critical. For example, the quality of the aluminum facades and water insulation of the expansion joints is in dispute. The majority of furniture and equipment was received (with the exception of the gym and the beds which it had previously been agreed should wait until staff were installed) and the theatre seats were installed. Work on local furniture is underway.

Work to seek more diversified and sustainable sources of funding continues. During the reporting period the Foundation signed seven co-funding agreements for a total of £300,831 including with the Bank of Palestine to extend the Mobile Library project in Gaza until the end of 2019. The development and launch of the Partners' page on the Foundation's website (Partners & Friends) was completed. In August, the consultant Khaled Daoudi conducted an external evaluation of the project "Culture, Arts, and Community Participation". The report was shared with the Swiss Agency for Development and Cooperation (SDC) who commended the success of the project and expressed initial readiness to finance another round for 2019 - 2022. However, the team chose instead to request additional funding to extend the existing project for an additional year (2019) to enable them sufficient time to plan and develop a new proposal for 2020 - 2022. Several potential new funding partners were

TRUSTEES' REPORT (continued)
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also approached.

In 2017 the Foundation received the bequest of Mrs Leila Al-Qattan's London flat and some of its contents, as well as her house in Jordan and some of its contents. The London flat is held as an investment property and was rented in the year. In 2018, in Palestine, the Al-Qattan Family donated both land, cash and securities to the Foundation. We also made a part-in-land part-in-cash swap with our neighbours the Al-Carmel hotel, which resulted in significantly enhancing the footprint of the land on which stands our old Ramallah building. We also plan to start operating a restaurant in the new Cultural Centre in summer 2019 and to develop a policy for hiring the facilities and renting of audio-visual equipment.

The Foundation has, at last, obtained the tax exemption from the Ministry of Finance for its employees' provident fund savings and concluded the fifth round of study grants for employees' children. Work on the Social Security Law was suspended in view of the government's decision to freeze it.

Most of the PR and Communication team's efforts focused on events and the inauguration of the new Cultural Centre in June. The team organised 48 orientation tours of the new Cultural Centre, including 20 tours for teachers, artists, institutions, professionals, and interested individuals as well as 28 tours for journalists. A new brochure was also printed. In 2018, 383 events were organised attended by 55,069 people. The Foundation enjoyed special media coverage with a total of 262 audio-visual, printed and electronic media materials published, including 75 items on the opening of the new Cultural Centre and its programme of events.

During the reporting period, 35 promotional videos, 82 films, 55 designed materials including brochures, posters, and invitations were produced. The contents of 60 hard disks were uploaded to the Foundation's server with a total of 60TB of materials. The structure of the archives was reviewed, non-usable materials removed, and all audio-visual materials up to 2018 were classified, saving 24TB equivalent of storage space (worth \$26,000) of additional storage space on the main server.

Additionally, work was completed on the visual identity of the Foundation, the designs of which are currently being prepared. Work to finalise the publishing policies and discussions relating to associated procedures for documentation and archiving are underway.

In terms of the development of monitoring and evaluation mechanisms, an external evaluation was undertaken of both the Culture and Arts Programme as a whole (CAP) and of the Culture, Arts and Community Participation project.

FUNDRAISING STANDARDS

The Foundation has an in-house resource development manager at its Ramallah headquarters who is responsible for fundraising. In the UK, the Mosaic Rooms Director manages the fundraising process. Both follow the Foundation's own fundraising policy approved by the Board of Trustees. The Policy states that external funding should not exceed 40% of the Foundation's annual budget, and that the Foundation should play a leading role in the design and implementation of all its projects. In addition, no conditions should be attached to external funding that contradict the Foundation's core mission. The Foundation approaches donors in order to extend and expand its programmes' operations by co-funding selected projects and programmes.

The resource development manager answers directly to the Director General and follows an annual plan that is approved by the Board of Trustees.

The Foundation does not solicit funding from the public or from individuals except in very rare cases where a personal introduction has been made by one of its Trustees to an individual who has expressed interest in its work or in one of its projects. No complaints were received from members of the public about the Foundation's fundraising activities.

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PLANS FOR THE FUTURE

The Foundation will undertake a major strategic review during the first nine months of 2019 and will publish its 2020-2024 plans towards the end of that year, subject to approval by the Board of Trustees.

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 (United Kingdom Generally Accepted Accounting Practice).

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of its income and expenditure for that period. In preparing these financial statements, the trustees are required to:

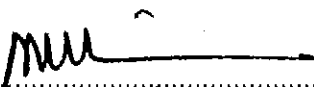
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.
- The trustees are responsible for the maintenance and integrity of the corporate 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.

This Report was approved by the Trustees on 7/8/2019 and signed on their behalf by:



Trustee

Omar Abdul Muhsein Al-Qattan

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A.M. QATTAN FOUNDATION

OPINION

We have audited the financial statements of A.M. Qattan Foundation (the 'Foundation') for the year ended 31 December 2018 set out on pages 25 to 49. 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 charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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.

A.M. QATTAN FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A.M. QATTAN FOUNDATION

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 Auditors' 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A.M. QATTAN FOUNDATION

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable Foundation for the purposes of company law) 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 the Trustees 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

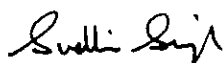
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 Auditors' 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 Auditors' Report.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: 30 August 2019

A.M. QATTAN FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018

		Unrestricted funds	Restricted funds	Total funds	As restated Total funds 9 months to 31 December 2017
	Note	2018 £	2018 £	2018 £	2017 £
INCOME FROM:					
Donations and legacies	2	685,477	9,920,313	10,605,790	22,439,562
Charitable activities	3	20,510	49,473	69,983	32,891
Investments	4	53,608	55,790	109,398	49,587
Other income	5	133,463	1,057,347	1,190,810	-
TOTAL INCOME		893,058	11,082,923	11,975,981	22,522,040
EXPENDITURE ON:					
Raising funds	6	111,065	-	111,065	-
Charitable activities	7	764,188	6,255,847	7,020,035	4,520,885
TOTAL EXPENDITURE		875,253	6,255,847	7,131,100	4,520,885
NET INCOME BEFORE INVESTMENT LOSSES					
Net losses on investments	14	17,805	4,827,076	4,844,881	18,001,155
		-	(84,454)	(84,454)	-
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		17,805	4,742,622	4,760,427	18,001,155
Gain/(loss) on foreign exchange		-	1,355,786	1,355,786	(1,171,015)
NET MOVEMENT IN FUNDS		17,805	6,098,408	6,116,213	16,830,140
RECONCILIATION OF FUNDS:					
Total funds brought forward (previously stated)		9,385,488	16,810,084	26,195,572	15,173,198
Prior year adjustment	25	-	5,807,766	5,807,766	-
Total funds brought forward as restated		9,385,488	22,617,850	32,003,338	15,173,198
TOTAL FUNDS CARRIED FORWARD		9,403,293	28,716,258	38,119,551	32,003,338

The notes on pages 28 to 49 form part of these financial statements.

All income and expenditure derive from continuing activities.


The Statement of Financial Activities includes all gains and losses recognised during the year.

A.M. QATTAN FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02171893

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	£	2018 £	As restated 2017 £
FIXED ASSETS				
Tangible assets	13		19,874,243	14,597,135
Investments	14		13,291,873	8,878,160
			33,166,116	23,475,295
CURRENT ASSETS				
Stocks	15	20,491		20,491
Debtors	16	1,058,216		448,899
Cash at bank and in hand		6,980,500		10,815,999
		8,059,207		11,285,389
CREDITORS: amounts falling due within one year	17	(1,164,656)		(1,319,663)
NET CURRENT ASSETS			6,894,551	9,965,726
TOTAL ASSETS LESS CURRENT LIABILITIES			40,060,667	33,441,021
Provisions for employees' benefits	18		(1,941,116)	(1,437,683)
NET ASSETS			38,119,551	32,003,338
CHARITY FUNDS				
Restricted funds	19		28,716,258	22,617,850
Unrestricted funds	19		9,403,293	9,385,488
TOTAL FUNDS			38,119,551	32,003,338

The financial statements were approved and authorised for issue by the Trustees on 7/8/2019 and signed on their behalf, by:



Omar Abdul Muhsen Al-Qattan

The notes on pages 28 to 49 form part of these financial statements.

A.M. QATTAN FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

		Year ended 31 December 2018 £	As restated 9 months to 31 December 2017 £
	Note		
Cash flows from operating activities			
Net cash provided by operating activities	21	5,268,993	10,448,843
Cash flows from investing activities:			
Investment income	4	62,768	49,587
Purchase of tangible fixed assets	13	(4,862,128)	(2,484,735)
Purchase of investments	14	(4,305,132)	(8,869,660)
Net cash used in investing activities		(9,104,492)	(11,304,808)
Change in cash and cash equivalents in the year		(3,835,499)	(855,965)
Cash and cash equivalents brought forward		10,815,999	11,671,964
Cash and cash equivalents carried forward	22	6,980,500	10,815,999

The notes on pages 28 to 49 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

A.M. Qattan Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, although the functional currency is US dollars. The Charity is registered in the UK however conducts the majority of its business via a branch in Palestine, where US dollars is the preferred currency. Amounts presented are rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Prior year adjustment

The Trustees have reflected on the past accounting treatment of a number of grants and donations. Previously these grants and donations had been included within deferred income which was not consistent with the principles of the Charities SORP. As such an adjustment has been made to the prior year financial statements. Items and balances that have been restated have been marked as such, further details can be found in Note 25.

1.3 General information

The Foundation is a company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 1029450) and Registrar of Companies (Company Registration Number 02171893).

The members of the company are the Trustees named on page 1. In the event of the Foundation being wound up, the liability in respect of the guarantee is limited to £1 per member of the Foundation.

The address of the registered office is given in the Foundation information on page 1 of these financial statements. The nature of the Foundation's operations and principal activities are detailed in the Trustees Report.

A.M. QATTAN FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.4 Going concern

The Trustees have assessed whether the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the charitable company's forecasts and projections and have taken account of pressures on fee income. After making enquiries, the Trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.5 Income recognition

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

For donations to be recognised the Foundation will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Foundation and it is probable that they will be fulfilled.

For legacies, entitlement is taken as the earlier of the date on which either: the Foundation is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Foundation has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Foundation, or the Foundation is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Foundation. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the Foundation has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Foundation's right to receive payment is established.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the Bank.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.6 Expenditure recognition

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Redundancy and termination payments are recognised immediately upon becoming a constructive obligation. Expenditure is categorised under the following headings:

- Expenditure on charitable activities includes all costs incurred on furthering the objects of the Charity; and
- Other expenditure represents those items not falling into the categories above.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.7 Support costs allocation

Support costs are those that assist the work of the Foundation but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Foundation and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Governance costs are those incurred in connection with the running of the Foundation and compliance with constitutional and statutory requirements.

The analysis of these costs is included in Note 8.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.8 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	-	20 years straight line
Furniture and fittings	-	4 - 7 years straight line
Books	-	10 years straight line
Computer equipment	-	3 years straight line
Motor vehicles	-	5 years straight line

1.9 Investments

Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year. As investments are revalued to fair value continuously, no realised gains or losses arise.

1.10 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.12 Debtors and creditors receivable / payable within one year

Debtors are recognised when the Foundation is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Creditors are recognised when the Foundation has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.13 Cash at Bank and in hand

Cash at bank and 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.

1.14 Provisions

Benefits payable to the Palestine employees at the end of their employment are provided for in accordance with Palestine labour laws. The calculation is based on accruing one month's worth of compensation for each year of service based on the last basic salary paid.

The Foundation deducts 8% from the employees' monthly basic salaries for the provident fund and contributes a similar amount. Both contributions are deposited in a separate interest-bearing bank account.

1.15 Financial instruments

The Foundation only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial Instruments and are debt instruments measured at amortised cost as detailed in Note 16. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 17. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

1.16 Taxation

The Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Foundation is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.17 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.18 Pensions

The Foundation operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Foundation to the fund in respect of the year.

1.19 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.20 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

A.M. QATTAN FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. INCOME FROM DONATIONS AND LEGACIES - CURRENT YEAR

	Unrestricted funds	Restricted funds	Total funds	As restated Total funds 9 months to 31 December 2017
	2018 £	2018 £	2018 £	2017 £
Donations	685,477	8,568,171	9,253,648	4,024,066
Legacies	-	-	-	8,869,660
Grants	-	1,352,142	1,352,142	9,545,836
Total 2018	<u>685,477</u>	<u>9,920,313</u>	<u>10,605,790</u>	<u>22,439,562</u>
Total 2017	<u>9,256,877</u>	<u>13,182,685</u>	<u>22,439,562</u>	

There are no unfulfilled conditions or other contingencies attached to the grants above.

INCOME FROM DONATIONS AND LEGACIES - PRIOR YEAR

	Unrestricted funds	Restricted funds	As restated Total funds 9 months to 31 December 2017
	2017 £	2017 £	2017 £
Donations	387,217	3,636,849	4,024,066
Legacies	8,869,660	-	8,869,660
Grants	-	9,545,836	9,545,836
Total 2017	<u>9,256,877</u>	<u>13,182,685</u>	<u>22,439,562</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds 9 months to 31 December 2017
	2018 £	2018 £	2018 £	2017 £
The Mosaic Rooms	<u>20,510</u>	<u>49,473</u>	<u>69,983</u>	<u>32,891</u>
Total 2017	<u>18,741</u>	<u>14,150</u>	<u>32,891</u>	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. INCOME FROM INVESTMENTS

	Unrestricted funds	Restricted funds	Total funds	As restated Total funds 9 months to 31 December 2017
	2018 £	2018 £	2018 £	2017 £
Rental income	46,630	-	46,630	-
Bank interest receivable	6,978	55,790	62,768	49,587
Total 2018	53,608	55,790	109,398	49,587
Total 2017	16	49,571	49,587	

5. OTHER INCOME

	Unrestricted funds	Restricted funds	Total funds	As restated Total funds 9 months to 31 December 2017
	2018 £	2018 £	2018 £	2017 £
Gain on disposal	133,463	1,057,347	1,190,810	-
Total 2017	-	-	-	

During the year the Foundation part exchanged land on commercial terms, a gain was crystallised of £1,057,347. The Charity also sold chattels arising from a bequeathed property that resulted in gains of £133,463.

6. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds	Restricted funds	Total funds	Total funds 9 months to 31 December 2017
	2018 £	2018 £	2018 £	2017 £
Investment management costs	111,065	-	111,065	-

Investment management costs were incurred in respect of rental income on the investment property.

A.M. QATTAN FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

7. EXPENDITURE ON CHARITABLE ACTIVITIES - CURRENT YEAR

	Activities undertaken directly	Grant funding of activities	Support costs	Total	As restated Total 9 months to 31 December 2017
	2018 £	2018 £	2018 £	2018 £	2017 £
Culture and Arts Programme	701,857	1,150,712	531,482	2,384,051	1,288,183
Educational Research & Development Programme	1,283,061	73,221	390,796	1,747,078	1,408,216
Child Centre	1,182,940	54,205	359,532	1,596,677	972,589
Public Programme	566,391	6,716	171,950	745,057	495,518
The Mosaic Rooms	432,804	4,946	109,422	547,172	356,379
Total 2018	4,167,053	1,289,800	1,563,182	7,020,035	4,520,885
Total 2017	2,950,651	511,507	1,058,727	4,520,885	

Total support costs are analysed in Note 8.

Total grants are analysed in Note 10.

EXPENDITURE ON CHARITABLE ACTIVITIES - PRIOR YEAR

	Activities undertaken directly 2017 £	Grant funding of activities 2017 £	Support costs 2017 £	As restated 9 months to 31 December 2017 £
Culture and Arts Programme	680,463	397,788	209,932	1,288,183
Educational Research & Development Programme	1,074,661	39,677	293,878	1,408,216
Child Centre	724,732	44,588	203,269	972,589
Public Programme	386,721	4,653	104,144	495,518
The Mosaic Rooms	84,074	24,801	247,504	356,379
Total	2,950,651	511,507	1,058,727	4,520,885

In 2017, of the total expenditure on charitable activities, £338,461 was from unrestricted funds and £4,182,424 was from restricted funds.

A.M. QATTAN FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

8. SUPPORT COSTS

	12 months to 31 December 2018	As restated 9 months to 31 December 2017
	£	£
Advertisement and promotion	32,781	29,132
Depreciation	352,186	273,050
Governance costs	16,738	14,003
Insurance	18,568	13,596
Legal and professional fees	39,427	12,605
Maintenance and consumables	33,093	19,534
Other costs	53,056	60,067
Staff costs	943,431	569,775
Other staff costs	16,195	12,810
Premises costs	37,091	31,791
Residencies and workshop expenses	783	684
Subscriptions and membership fees	8,803	2,013
Transportation, travel and accommodation	11,030	19,667
Total	1,563,182	1,058,727

9. GOVERNANCE COSTS

	12 months to 31 December 2018	As restated 9 months to 31 December 2017
	£	£
Audit and accountancy fees	16,738	14,003

A.M. QATTAN FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

10. ANALYSIS OF GRANTS PAID

Grants paid to institutions in excess of £10,000 during the year are disclosed below;

	12 months to 31 December 2018	As restated 9 months to 31 December 2017
	£	£
Grants paid to institutions		
Al Kamandjati Association	17,973	-
Al Mamal Foundation	57,679	-
Ashtar Theatre	25,534	-
Balat Association	-	13,789
Bassma Society For Culture and Arts	13,309	-
Birzeit University	29,532	-
Columbia University	20,595	-
First Ramallah Group	-	11,490
Gaza Association for Culture and Art	15,614	-
General union of Cultural Centers	103,040	-
Hakawi Association for Culture and Arts	29,207	18,385
Institute for Palestinian Studies	121,631	-
Irab Association	12,731	-
Khalil Sakakini Cultural Center	144,620	-
Palestine Music Expo	11,233	-
Palestine Writing Association	18,722	-
Qandeel for Arts and Culture	24,714	11,490
Raouf ahmad Haj Yehya	11,982	-
Sakyia	171,891	-
Silver Tent Association	13,480	-
Tabee' Fanni	-	15,321
Tamer Institute	56,272	55,154
Visual Arts Forum	36,342	-
Yes Theatre	-	11,490
Young Artists Forum	36,342	35,620
Grants paid to institutions < £10,000	197,010	240,799
 Total grants paid to institutions	 1,169,453	 413,538
Grants paid to individuals	120,347	97,969
 Total	 1,289,800	 511,507

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. NET INCOME/(EXPENDITURE)

This is stated after charging:

	Year ended 31 December 2018 £	9 months to 31 December 2017 £
Depreciation of tangible fixed assets: - owned by the Foundation	352,186	273,050
Auditors' remuneration - Audit of the financial statements	9,600	-
Auditors' remuneration - Audit of the financial statements (previous Auditor)	-	14,162
Auditors' remuneration - Non audit fees - Accountancy fees	3,600	-
Auditors' remuneration - Component Auditor	3,538	-
	<hr/>	<hr/>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

4 Trustees received reimbursement of expenses amounting to £3,832 in the current year, (2017 - 4 Trustees - £4,917).

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NOTES TO THE FINANCIAL STATEMENTS
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12. STAFF COSTS

Staff costs were as follows:

	Year ended 31 December 2018 £	9 months to 31 December 2017 £
Wages and salaries	2,344,186	1,531,916
Social security costs	18,007	11,754
Other pension costs	338,250	216,591
	2,700,443	1,760,261

The average number of persons employed by the Foundation during the year was as follows:

	Year ended 31 December 2018 No.	9 months to 31 December 2017 No.
Staff	110	101

The number of higher paid employees was:

	Year ended 31 December 2018 No.	9 months to 31 December 2017 No.
In the band £60,001 - £70,000	3	0
In the band £70,001 - £80,000	1	0

Key Management Personnel include the Trustees and the Senior Management Team (consisting of: The Director General, Deputy Director General, CCG Director, ERDP Director, CAP Director, Director of Finance, Director of Administration, Director of Communication & Public Relations, Public Programme Director, and Director of the Mosaic Rooms). Total remuneration paid to Key Management Personnel amounted to £630,764 (9 months to 31 December 2017 - £379,865).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

13. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Furniture, fittings and books £	Computer equipment £	Motor vehicles £	Assets under construc- tion £	Total £
Cost or valuation						
At 1 January 2018	5,785,732	1,674,733	617,862	92,992	9,578,476	17,749,795
Additions	989,478	343,519	124,832	28,990	3,375,309	4,862,128
Disposals	(269,602)	(53,003)	(64,619)	-	-	(387,224)
Exchange differences	368,677	107,904	36,682	6,722	710,222	1,230,207
At 31 December 2018	6,874,285	2,073,153	714,757	128,704	13,664,007	23,454,906
Depreciation						
At 1 January 2018	1,410,559	1,239,503	442,480	60,118	-	3,152,660
Charge for the year	112,212	106,497	117,639	15,838	-	352,186
On disposals	-	(51,326)	(64,619)	-	-	(115,945)
Exchange differences	86,989	73,491	27,070	4,212	-	191,762
At 31 December 2018	1,609,760	1,368,165	522,570	80,168	-	3,580,663
Net book value						
At 31 December 2018	5,264,525	704,988	192,187	48,536	13,664,007	19,874,243
At 31 December 2017	4,375,173	435,230	175,382	32,874	9,578,476	14,597,135

The asset under construction relates to the new culture centre in Ramallah which is due to be fully complete in November 2019.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

14. FIXED ASSET INVESTMENTS

	Listed securities £	Other investments £	Total £
Fair value			
At 1 January 2018	-	8,878,160	8,878,160
Additions at cost	4,305,132	-	4,305,132
Revaluations	(84,454)	-	(84,454)
Exchange differences	193,035	-	193,035
At 31 December 2018	<u>4,413,713</u>	<u>8,878,160</u>	<u>13,291,873</u>

Investments at fair value comprise:

	2018 £	2017 £
Listed investments	4,413,713	-
Other investments	8,878,160	8,878,160
Total fair value	<u>13,291,873</u>	<u>8,878,160</u>

Other Investments

Other Investments relates to a painting and artwork purchased during 2014 by A.M. Qattan Foundation and a painting and property bequeathed to the A.M. Qattan Foundation during 2017.

15. STOCKS

	2018 £	2017 £
Finished goods	<u>20,491</u>	<u>20,491</u>

16. DEBTORS

	2018 £	As restated 2017 £
Trade debtors	26,622	2,457
Other debtors	842,956	90,424
Prepayments and accrued income	188,638	356,018
	<u>1,058,216</u>	<u>448,899</u>

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17. CREDITORS: Amounts falling due within one year

	2018	As restated 2017
	£	£
Trade creditors	90,663	18,399
Other taxation and social security	12,119	10,338
Other creditors	39,237	27,010
Accruals and deferred income	1,022,637	1,263,916
	1,164,656	1,319,663

Deferred Income

Deferred income at 1 January 2018 (As restated)	1,243,199
Resources deferred during the year	1,004,160
Amounts released from previous years	(1,243,199)
Deferred income at 31 December 2018	1,004,160

18. PROVISIONS

	Severance pay £	Provident fund £	Total £
At 1 January 2018	1,120,659	317,024	1,437,683
Additions	218,422	238,275	456,697
Amounts used	(33,532)	(21,531)	(55,063)
Exchange differences	73,489	28,310	101,799
At 31 December 2018	1,379,038	562,078	1,941,116

Severance pay

The Foundation in Palestine provides for its employees' severance pay according to the prevailing labour law.

Provident fund

The Foundation in Palestine contributes to the employees' provident fund.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

19. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2018 As restated £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2018 £
Unrestricted funds					
UK branch	9,385,488	893,058	(875,253)	-	9,403,293
Restricted funds					
Palestine branch	13,952,385	10,259,568	(5,513,772)	1,271,332	19,969,513
UK branch	7,007	54,473	(1,700)	-	59,780
Culture and Arts Programme	399,485	768,882	(740,375)	-	427,992
Cultural Centre Project	8,258,973	-	-	-	8,258,973
	<u>22,617,850</u>	<u>11,082,923</u>	<u>(6,255,847)</u>	<u>1,271,332</u>	<u>28,716,258</u>
Total of funds	<u>32,003,338</u>	<u>11,975,981</u>	<u>(7,131,100)</u>	<u>1,271,332</u>	<u>38,119,551</u>

On 29 April 1998, A.M. Qattan Foundation - Palestine was established as a branch of A.M. Qattan Foundation for the specific purposes of managing the Foundation's work in Palestine and the projects being carried on out there.

The funds held by the branch are therefore treated as a separate restricted fund in the accounts of the Foundation in accordance with the treatment prescribed in the Charities SORP.

Culture and Arts Programme: A five year funding agreement has been supported by the Swedish International Development Agency (SIDA) in order to fund a Visual Arts Programme entitled, A Flourishing Field (VAFF).

Cultural Centre Project: Funds were received from Mr Omar A-Qattan which were restricted towards the building of a new Cultural Centre.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

19. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2017 As restated £	Income As restated £	Expenditure As restated £	Gains/ (Losses) £	Balance at 31 December 2017 As restated £
General funds					
UK branch	448,315	9,275,634	(338,461)	-	9,385,488
Restricted funds					
Palestine branch	14,714,108	4,187,718	(4,949,441)	-	13,952,385
UK branch	10,775	14,150	(17,918)	-	7,007
Culture and Arts Programme	-	817,991	(418,506)	-	399,485
Cultural Centre Project	-	8,258,973	-	-	8,258,973
	14,724,883	13,278,832	(5,385,865)	-	22,617,850
Total of funds	15,173,198	22,554,466	(5,724,326)	-	32,003,338

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	42,781	19,831,462	19,874,243
Fixed asset investments	8,878,160	4,413,713	13,291,873
Current assets	604,306	7,454,901	8,059,207
Creditors due within one year	(121,954)	(1,042,702)	(1,164,656)
Provisions for liabilities and charges	-	(1,941,116)	(1,941,116)
	9,403,293	28,716,258	38,119,551

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NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2017 £	As restated Restricted funds 2017 £	As restated Total funds 2017 £
Tangible fixed assets	44,304	14,552,831	14,597,135
Fixed asset investments	8,878,160	-	8,878,160
Current assets	521,237	10,764,152	11,285,389
Creditors due within one year	(58,213)	(1,261,450)	(1,319,663)
Provisions for liabilities and charges	-	(1,437,683)	(1,437,683)
	<u>9,385,488</u>	<u>22,617,850</u>	<u>32,003,338</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	As restated 2017 £
Net income for the year (as per Statement of Financial Activities)	4,760,427	18,001,155
Adjustment for:		
Depreciation charges	352,186	273,050
Loss on investments	84,454	-
Investment income	(62,768)	(49,587)
Loss on the sale of fixed assets	271,279	21
Increase in stocks	-	(2,870)
(Increase)/decrease in debtors	(610,095)	2,798,265
Decrease in creditors	(154,229)	(9,804,714)
Increase in provisions	503,433	-
Foreign exchange adjustment on fixed assets	(1,231,480)	404,538
Foreign exchange movements	1,355,786	(1,171,015)
Net cash provided by operating activities	5,268,993	10,448,843

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	6,980,500	10,815,999
Total	6,980,500	10,815,999

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NOTES TO THE FINANCIAL STATEMENTS
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23. OPERATING LEASE COMMITMENTS

At 31 December 2018 the total of the Foundation's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	-	1,613
Between 1 and 5 years	-	6,452
Total	-	8,065

24. RELATED PARTY TRANSACTIONS

	Year ended 31 December 2018 £	As restated 9 months to 31 December 2017 £
Transactions with related parties are as follows:		
Contribution from Al Qattan Charitable Trust - Guernsey	2,107,410	1,533,160
In-kind donation from The Al-Qattan family members	4,347,350	-
Unrestricted contribution from Mr. Omar Al-Qattan	2,025,732	2,231,986
Restricted contribution from Mr. Omar Al-Qattan	-	8,258,973

	Year ended 31 December 2018 £	9 months to 31 December 2017 £
Balances with related parties are as follows:		
Restricted net assets from Mr. Omar Al-Qattan for new Palestine building	-	5,464,220

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NOTES TO THE FINANCIAL STATEMENTS
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25. PRIOR YEAR ADJUSTMENT

Following a review of the historic accounting treatment of a number of grants and donations, a prior year adjustment has been made in order to correct the past misstatements relating to income recognition, as follows:

	Balance at 1 January 2017 £	Balance at 31 December 2017 £
Reconcillation of total funds		
Total funds as per 2017 signed accounts	15,173,198	26,195,572
Write back of accrued grant income	-	(1,552,399)
Release of deferred income	-	7,360,165
Total funds	<u>15,173,198</u>	<u>32,003,338</u>

	Balance at 31 December 2017 £
Reconcillation of net income / (expenditure)	
Net income as per 2017 signed accounts	11,022,374
Write back of accrued grant income	(1,552,399)
Release of deferred income	7,360,165
Net income	<u>16,830,140</u>

