



Interpal

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31st December 2018

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

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LEGAL AND ADMINISTRATIVE INFORMATION

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Senior Personnel

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ANNUAL REPORT OF THE TRUSTEES

The trustees present their report along with their financial statements of the charity for the year ended 31st December 2018. The financial statements have been prepared based on the accounting policies set out in Note 1 of the financial statements and comply with the charity's Trust Deed.

Chairman's Statement:

There was a worsening of the humanitarian crisis facing Palestinians across the Middle East in 2018, and it was also a challenging year for Interpal and other aid agencies working to support Palestinian human rights. Palestinians remain vulnerable across the region due to their refugee status, and are living under conditions of ongoing conflict and political instability.

In the same year that Palestinians marked the 70th anniversary of the Nakba, the US moved its embassy from Tel Aviv to Jerusalem and withdrew all funding from the UN Relief and Works Agency (UNRWA). These acts not only signified a disregard for Palestinian self-determination and international law, but also signalled the US government's apathy towards Palestinians' basic human rights and dignity.

The UN warned us years ago that Gaza would be 'unlivable by 2020', and since then it has suffered the worst bombardment in the history of the occupation. The Palestinians in the Gaza Strip have lived under siege for over 10 years.

During Ramadan, I was able to enter Gaza through the Rafah Crossing from Egypt after five years and visited our ongoing projects as well as met with the family of Razan al Najjar, the young volunteer paramedic shot and killed whilst helping injured protesters during the 'Great March of Return' near her home town of Khan Younis. My time in Gaza was short, but it allowed me to witness the amazing work of our Gaza Field Office, as well as the inspiring resilience of the people of Gaza in the face of the hardships they endure. The situation continues to be untenable and unacceptable, and any attempt to prevent aid and support to the people of Gaza is, I believe, both immoral and inhumane.

To mark its 25th year anniversary, Interpal produced a book chronicling its journey to date: *Faith, Hope & Charity*. The book is now of particular relevance in the current climate of attacks against NGOs by anti-Palestinian groups that seek to hinder and prevent our work.

The Trustees have successfully defended the organisation against libellous attacks in the media. In June 2019, Interpal successfully obtained libel damages against Associated Newspapers, the publisher of the Daily Mail and MailOnline. The charity's legal success continued, when in August 2019, the Jewish Chronicle apologised to the Trustees of Interpal over the newspaper's publication of false and defamatory allegations, also agreeing to pay damages to the Trustees.

Despite facing ongoing hostility from anti-Palestinian groups and the impact of the designation, thanks to the support of our donors we are strong and resolute in the work we do and we are continuing to make a difference to thousands of lives every year. With this in mind, the Trustees have conducted an in-depth review of Interpal's operations with a view to safeguarding its legacy to date, by way of a strategic operational restructure. Whilst we appreciate the challenges of the task ahead, it is also a key opportunity to address ongoing issues and improve operations. We recognise that periods of change are by nature demanding, but they are also necessary, and we will seek to mitigate any short-term negative impact that may arise whilst maintaining our commitment to our beneficiaries. With that in mind, we also look forward to the continued support and generosity of our partners and donors on the journey of change we are embarking on. We are confident that the challenges we face are not more than we can bear, and we ask the Almighty to make it easy on us all. Ameen.

Interpal: Structure, Governance and Management

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

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

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

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

Vision, Objectives and Activities

Vision:

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

Objectives:

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

Activities:

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

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

How Interpal Works

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

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

Board of Trustees

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

Recruitment and Appointment of Trustees

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

Induction and Training of Trustees

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

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

Risk Management

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

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

Public Benefit

The Trustees confirm that Interpal has complied with and recognises the importance of the Charities Act 2011 in reference to public benefit. Interpal has referred to the Charity Commission's guidance and has due regard to public benefit when developing, reviewing and implementing the charity's vision, aims, objectives, and future strategy.

Of note, Interpal provides a secure and effective mechanism for people to donate to the Palestinian cause, which not only benefits Palestinians in need but also allows many of our donors in the UK to fulfil religious obligations.

Grant-making Policies

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

Volunteers

Interpal's volunteers remain an integral part of how the charity operates and achieves its goals. In 2018, the charity continued to invest in volunteer recruitment, training and retention. Interpal continued to encourage volunteers to increase their engagement in fundraising activities, with one of the charity's biggest volunteer drives among many being its countrywide meet-up on various dates in February 2018, involving dozens of participants. During the year, 250 volunteers worked with Interpal across our branches

and helped with events, office administration, television and radio live appeals and fundraising challenges. Interpal undertakes the management and training of all of its volunteers in-house and is indebted to them for their efforts during the course of the year. Further information about volunteer recruitment and training can be found on our volunteering [webpage](#).

Gifts-in-Kind

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

Remuneration Policy

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

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE FOR 2018

External Factors Affecting Achievement

The political sensitivity around delivering aid to the Middle East continued to impact Interpal's work in the region. Aid delivery in Interpal's areas of operation is fraught with obstacles, including ongoing access restrictions and procedural constraints as a result of local and international political agendas in the region.

In 2018, Interpal's areas of operations were impacted by funding shortfalls for the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). The funding cuts placed a heavy burden on the NGO sector as it prepared to fill gaps in services, amid a climate of uncertainty over the sustainability of UNRWA's operations.

Interpal continues to cope with the challenges caused by the 2003 US designation and the restrictions to financial services that affect UK charities working in high-risk areas. As projected, Interpal's online donation facilities were withdrawn in 2018 as a result of external lobby group pressures on banks and third-party financial institutions, reflecting the sector's increasing trend towards more risk-averse behaviour. Such developments contributed to a shrinking space for UK charities operating in areas such as the occupied Palestinian territories and have continued to do so.

Despite such obstacles, Interpal successfully increased its income from donations in 2018 and continued to effectively carry out its humanitarian activities in the field, while meeting all its strategic objectives.

Strategic Objectives for 2018:

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

➤ **Objective 5:**

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

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

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

Interpal expended over £5.8 million across its core sectors of work in 2018 to aid vulnerable beneficiaries, including orphans, the elderly, widows and persons with disabilities. Highlights of our work throughout the year were disseminated on our website and social media pages, while an end of year round-up was sent to 1,717 recipients via our email newsletter, highlighting our most notable projects of the year. This can be viewed [here](#). You can also view our annual report [here](#).

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

Humanitarian Aid:

Humanitarian Aid remains Interpal's largest sector of work; 64% of the total charitable expenditure was expended on various programmes related to helping Palestinians achieve an adequate quality of life and alleviate poverty.

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

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

Over 6,000 children are supported annually via the one-to-one programme, whilst further needy families (not linked to a particular donor) were supported through the Social Welfare Programme. Both these programmes provide an essential lifeline for struggling families and benefitted families in the form of ongoing or seasonal aid. Beneficiaries are supported by a team of social workers and administrative staff in our areas of operation, ensuring their needs are assessed and addressed. Safeguarding policies are reviewed to ensure protecting the children.

The programme also allows for communication between beneficiaries and donors, building a sense of solidarity and rapport, with many donors providing additional 'gift payments' for their sponsored child. Due to the popularity of the programme,

the stories of sponsored children and families are regularly shared with donors and supporters via social media and our websites. A joint interview between a mother of a sponsored child in Gaza and their UK sponsor was conducted in 2018, in which both shared their experiences of being part of the One-to-One Child Sponsorship programme. Their interview can be read [here](#). A case study of a Social Welfare Programme beneficiary can be viewed [here](#).

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

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

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

Interpal's field offices built on feedback from previous years to ensure that the aid provided was both effective and needed. The response from beneficiaries and from donors to the aid provided was overwhelmingly positive and highlights the ongoing need and benefit of Interpal's seasonal distributions. For a more detailed look at Ramadan distributions in Gaza, click [here](#).

Community Development:

Community Development accounts for over £1.4million of Interpal's charitable expenditure, and the focus is on supporting communities through long term support and addressing societal concerns such as unemployment and infrastructure.

- **The Job Creation Programme**

The Job Creation Programme remains a strategic long term commitment for the charity. With unemployment as high as 69% for young people in the Gaza Strip [according to Palestinian Central Bureau of Statistics](#), the Programme provides stable employment, on the job training and confidence building for people struggling to survive with limited opportunities. The programme was expanded to Lebanon, where Interpal employs social workers from within the refugee camps to serve their own communities. Interpal supported over 120 individuals with work placements, training and paid employment. Interpal endeavours to ensure that both men and women are equally represented in the project and participants are consulted about what work would benefit them and how they would like to benefit others. In addition, the programme has helped people set up small businesses and provided the tools with which to earn an income.

Interpal continued to support the agriculture sector in the Gaza Strip in 2018, purchasing bees and the hives to house them for beekeepers, while planting olive, fig, guava, orange and lemon trees to further support the livelihoods of Palestinian farmers. Interpal's popular Tok-Tok Livelihood project also provided individuals in the Gaza Strip with the means to gain long term financial independence; you can read Interpal's case study about the Tok-Tok Livelihood project [here](#).

Palestinian women are disproportionately affected by soaring levels of poverty across Palestinian refugee camps. In both the Gaza Strip and refugee camps in Lebanon, Interpal provided women with sewing machines to increase their income capacity, whilst also helping to build their self-esteem and participation in public life. The project was well received, having a positive impact on the families involved and highlighting the need to further facilitate financial security among women-headed households.

- **Providing Access to Clean Water**

The right to clean and safe drinking water is difficult to achieve for Palestinian refugees across all our areas of operation. In 2018, Interpal provided clean safe drinking water to thousands of Palestinians in Gaza in addition to refugees across our areas of operation.

Sixteen public water tanks were distributed among schools, kindergartens, medical centres and mosques across the Gaza Strip. The tanks are filled with water from desalination plants implemented by Interpal (and other NGOs) as part of improving the water infrastructure in Gaza. Those donating public tanks receive feedback and photographs of where their tank has been placed, plus a fixed banner on the tank bearing their name. A further 102 water tanks were also distributed to needy and poor families, and Interpal also provided technical maintenance for 3 major water desalination plants, benefiting more than 3,000 individuals.

Interpal utilised local knowledge and worked closely with local environmental agencies to ensure its water projects reduced water poverty and were appropriate for the current situation on the ground.

- **The Outreach Bus Programme**

The Outreach Bus Programme continued to be a key fixture in Interpal's project portfolio for community development in 2018, supporting 230 beneficiaries with mobility needs in Gaza, as well as employing seven drivers. It is an example of a very well received project locally, with excellent feedback from beneficiaries, empowering them to continue education or employment and not be held back due to disability or poverty. It is also a project which incorporates multi-dimensional aid by creating jobs for the drivers and encouraging institutions to consider accessibility and mobility of students, referring them to the service. You can read Interpal's blog post, "On the road to inclusion; a day in the life of an Outreach Bus Driver" on its website [here](#).

Advancement of Education:

With ongoing poverty and uncertainty of the future damaging the achievement and ambition of young Palestinians, it is necessary to ensure they are able to access education and educational resources. Interpal expended £83,650 in support of advancing education and supporting students and institutions.

- **Intensive Lessons for Students**

In line with supporting Palestinian children's advancement in education, a special programme was developed to provide intensive lessons to support secondary aged children in Lebanon. After requests from parents who felt their children were struggling in school and were unable to access additional support due to being from disadvantaged backgrounds, the programme was implemented and supported 230 students, as well as covering the fees of private tutors. The programme was well received and there was positive feedback on the impact of the lessons for the children.

Medical Aid:

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

- **Emergency Response in Gaza**

At the time of writing, the “Great March of Return” protests in Gaza that began on 30 March 2018 have, according to the [Palestine Centre for Human Rights](#), resulted in 214 Palestinian deaths and a further 14,251 Palestinians wounded. Since the protests began, the health sector in Gaza has been brought to the brink of collapse, with health facilities severely under-resourced and unable to cope with the massive influx of casualties.

In 2018, emergency medical aid was provided to hospitals across the Gaza Strip, including medicines for 1,000 patients, medical disposables and fuel. Interpal equipped the reception and emergency department at a medical centre in Khan Younis, while also providing medication, medical disposables and wheelchairs to hundreds of disabled and wounded persons across the Gaza Strip.

Razan al-Najjar was a volunteer medic who was fatally shot on 1 June on the Gaza border. In 2018, Interpal set up a special scholarship fund in her honour, which trained 30 paramedics, volunteers and recently graduated nurses on how best to respond to crises and emergencies.

- **Supporting Women’s Health**

Improving maternal health and women’s health in general is hugely important for Palestinian society. Women are not only caregivers and breadwinners but they are often the emotional backbone of families. The charity supported a number of projects aimed at women’s health, such as providing a clinic in Khan Yunis with the latest technology in obstetrics and gynaecology to improve the quality of their services, including an ultrasound device, electrical bed and medicines. The project continues to benefit 560 women and 2 gynaecologists every month.

- **Equipping medical facilities in Lebanon**

In 2018, Interpal continued to equip medical facilities in its areas of operation, including pharmacy support and the installation of control cameras at a medical centre in Burj Shemali refugee camp. Interpal also supported a health centre in the Beqaa province by providing medical equipment and a dental clinic, whilst also facilitating minor emergency interventions. The project benefited those in the Al Fa’our region, including both Syrian and Lebanese families.

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

Interpal is a charity which relies entirely on voluntary donations and works within local communities via its regional fundraising branches in the UK. Fundraising branches met

on a quarterly basis in 2018 to focus on their objectives and further develop cross-departmental co-ordination, establish strategic thinking, increase and diversify training and continue to meet fundraising targets. Trustee level and executive level visits to the branches were also carried out and an opportunity to assess skills, successes and challenges in each area that will be used to form plans for 2019. A total of 41 fundraising events were organised by Interpal's branches throughout the year. Delegations to Lebanon, Turkey and Jordan were organised to broaden fundraisers' understanding of the issues facing Palestinian refugees, raise awareness and increase support among Interpal's donors.

Meeting the objective was challenging in an increasingly competitive environment and with the specific obstacles faced by the charity, however it was a successful year in terms of raising over £7million (above the annual average) and in developing staff and aligning expectations and skills.

Marketing and communications remained a developing and important department within the organisation. While some external factors impacted the annual strategy, the marketing strategy was executed as planned with a focus on targeting donors and improving the tools used in the creative process. Focus was also placed on promoting alternative donations methods due to credit card processing restrictions and widening supporters' understanding of the humanitarian issues facing Palestinians. In addition to its printed materials, Interpal's website provided a regular stream of information through its blogs and mini-sites, attracting 3,000 visitors a week.

With General Data Protection Regulation (GDPR) coming into force on 25 May 2018, Interpal, as a member of the Fundraising Regulator, ensured that it fully complied with its obligations. Interpal works to ensure its fundraising and marketing activities comply with all laws and regulations, as well as being ethical, in line with the ethos of the charity and appropriate for its donors.

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

In 2018, Interpal focused on further developing and adapting its delivery mechanism in response to the changing risk context and operational challenges that involve working in the region. In adherence with its procedural safeguards, the charity successfully delivered all allocated funds in its fields of operation and fully met its commitments to its beneficiaries while exercising due care.

To further build on its impact in the field, under the direction of Interpal's Head Office and alongside a continuing audit with the HMRC, the charity's long-term monitoring, evaluation and due diligence processes were further developed, including the careful training of field staff across all areas of operation, as well as follow-up training at various

points throughout the year. Interpal's policies and procedures in the field were also reviewed and realigned to take into account changes in regulatory requirements.

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

In 2018, Interpal upheld its ongoing commitment to maintain, review and bolster its policies, procedures and operational processes across its branches in the UK, its field offices and with its partner organisations. To this end, Interpal enhanced its due diligence processes and risk assessments while routinely updating its Relationships and Funding Operations Manual (RFOM) and risk register during the year.

The charity's adaptable approach to filling leadership gaps helped to maintain and enhance effective operations. Training staff and focusing on efficient management was stressed through departmental heads, while reviews and appraisals continued to enable the charity to retrospectively review changes and improve future performance.

Banking restrictions were an ongoing concern facing many UK charities in 2018. Interpal continued to address the U.S designation and to work with relevant authorities to overcome these challenges, while also using the appropriate legal channels to address attempts by pressure groups to undermine the charity's reputation.

The organisation was able to complete and comply with all reporting and regulatory requirements in 2018.

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

Interpal recognises the need to demystify the issues around the humanitarian crises facing Palestinians and to engage people beyond financial donations. 2018 saw a worsening of the humanitarian crisis facing Palestinians across the Middle East, and it was a challenging year for Interpal and other aid agencies working to support Palestinian human rights.

Interpal continued to be a member of the 'Palestine Platform', attending meetings with government departments and supporting initiatives aimed at drawing attention to Palestinian human rights. In September 2018, Interpal endorsed a [joint statement](#) by the Palestine Platform calling upon the UK government to work to end UNRWA's financial crisis.

In June 2018, a delegation of Interpal representatives visited the Gaza Strip. Members of the delegation, who included Interpal's Chairman Ibrahim Hewitt, visited Gaza's refugee camps and met with Palestinians injured by Israeli army gunfire during the "Great March of Return" protests. Details of the visit can be viewed on our website, [here](#).

In July 2018, an Interpal-led delegation travelled to Istanbul to hear the accounts of injured Palestinians who were granted exit visas to receive treatment in Turkey with the help of Medics International. Their accounts shed light on the devastating impact that the siege is having on Gaza's health sector, as well as the new set of difficulties that come with receiving long-term treatment outside of Gaza. Click [here](#) to read the delegation's case studies and observations.

Interpal included an advocacy and awareness component to many of its campaigns and communications materials. The charity marked 70 years since the Nakba began, raising awareness of the issues facing Palestinian refugees and encouraging supporters to [call on MPs](#) to do more to protect the rights of Palestinian refugees. Interpal also ran similar campaigns to raise awareness of the water crisis facing Palestinians as well as [Palestinian children's rights](#). Interpal also continued to mark significant UN Days throughout the year and produced blogs about advocacy, including informative pieces about [advocating for Palestinian rights](#).

The charity expended £394,703 for Advocacy and Awareness in 2018.

Strategic Direction for 2019:

Objective 1:

Continue to provide practical aid to the occupied Palestinian Territories, Jordan and Lebanon

Objective 2:

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

Objective 3:

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

Objective 4:

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

FINANCIAL REVIEW

Income

Interpal's total income for 2018 amounted to £7,037,490 (2017: £5,907,186); a significant increase in income from the previous year despite various challenges.

Donations amounted to 99% of the total income, all raised from within the UK, highlighting the success of Interpal's fundraising activities in 2018.

Expenditure

The total amount expended in 2018 was £6,470,191 (2017: £6,073,816). Over 90% of the total expenditure was spent on charitable activities, which amounted to £5,867,819 (2017: £5,370,752).

Humanitarian aid, namely food and financial assistance, continues to be the principal category of allocation of funds, representing 64% of the total charitable expenditure; 3% was expended in support of Medical Aid, 24% on Community Development Programmes, 2% in support of Education and 7% on Advocacy and Awareness programmes.

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

The sum of £602,372 (2017: £703,064) was spent on raising funds which represents 9.3% of the total expenditure. This significant decrease in expenditure is mainly due to lower costs relating to fundraising events and staff and operational costs. See Note 6 for details.

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

Investment Policy

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

Reserves and Funds Carried Forward

Interpal's policy is that no more than 15% of funds are rolled over for expenditure in the following financial year. This is to cover costs while income is being generated by the Charity's normal activities during the next year. In 2018, the net income amounted to £567,299 (2017: £166,630-net expenditure) which meant the total income exceeded the total expenditure for the year by this amount.

In line with the policy, any funds that Interpal has been unable to transfer to its principle areas of operation in a safe and reliable manner have been kept secure and intact until the situation changes. The blockade of the Gaza Strip, ongoing challenges of operating in the area and Interpal's banking difficulties in effect since 2007 have created a backlog of transfers. Yet Interpal takes the responsibility of transferring the generous contributions of its donors very seriously and therefore takes steps to ring-fence funds allocated for specific projects. All things considered, these are only transferred when the charity is satisfied that safe and secure delivery can take place. The charity's financial records state that unrestricted funds of £5,405,044 are carried forward into 2019. It is of note that 41% of this total amounting to £2,226,462 has been delivered successfully to trust partners to be expended in due course in accordance with the trustees' wishes as per the decision-making process.

Restricted and Unrestricted Funds

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

Going Concern

The Trustees along with their advisers have identified the key risks and uncertainties facing the charity, including the potential loss of a bank account, arising primarily from its unfounded US designation in 2003. In line with this, the Trustees are in the process of implementing an in depth review of its operational structure. This is focused on securing the continuity of the delivery of its services to beneficiaries and donors. The Trustees are confident that this will be achieved by readapting and realigning its modus operandi. To address the root cause of these ongoing challenges, the Trustees remain committed to do all that is necessary to ensure that Interpal continues as a going concern. A full assessment of the revised operational structure has concluded that the charity is indeed in a sound position to continue as a going concern.

Statement of Trustees' Responsibilities in Relation to the Financial Statements

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of Information to Auditors

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

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



I. B. Hewitt - Chairman of the Board of Trustees
Date: 29.10.2019

PALESTINIANS RELIEF AND DEVELOPMENT FUND – INTERPAL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2018

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

Opinion

We have audited the financial statements of Palestinians Relief and Development Fund – Interpal (the “Charity”) for the year ended 31st December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31st December 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1(c) in the financial statements which indicates the Trustees recognise the risk and material uncertainty arising from the loss of card processing facilities and the potential loss of banking facilities. The potential loss of banking facilities would have a significant impact on the charity's ability to receive donations, make transfers and subsequently operate in the same manner if it were to occur. These risks indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

Responsibilities of the trustees

As explained more fully in the Trustees' responsibilities statement set out on page 21, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

M AKRAM 

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

Date: 29/10/2019

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st DECEMBER 2018

	Notes	2018 (£)	2017 (£)
Income from:			
Donations	3	6,944,676	5,867,809
Charitable activities	4	92,161	38,937
Investments	5	653	440
		-----	-----
Total income		7,037,490	5,907,186
		=====	=====
Expenditure on:			
Raising funds	6	602,372	703,064
Charitable activities	7	5,867,819	5,370,752
		-----	-----
Total expenditure		6,470,191	6,073,816
		=====	=====
Net income/(expenditure)		567,299	(166,630)
Reconciliation of funds:			
Total funds brought forward		4,837,745	5,004,375
		-----	-----
Total funds carried forward		5,405,044	4,837,745
		=====	=====

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

The notes on pages 29-41 form an integral part of these financial statements.

BALANCE SHEET AS AT 31st DECEMBER 2018

	Notes	2018 (£)	2017 (£)
Fixed assets			
Tangible assets	10	56,151	80,218
Current assets			
Debtors	11	3,526,427	3,716,299
Cash at bank and in hand		1,963,234	1,159,441
		-----	-----
Total current assets		5,489,661	4,875,740
Current liabilities			
Creditors: amounts falling due within one year	12	(140,768)	(118,213)
		-----	-----
Net current assets		5,348,893	4,757,527
		=====	=====
Net assets		5,405,044	4,837,745
		=====	=====
Funds of the Charity			
Unrestricted funds	13	5,405,044	4,837,745
		=====	=====

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



I. B. Hewitt

Chairman of the Board of Trustees

Date: 29.10.2019

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st DECEMBER 2018

	Notes	2018 (£)	2017 (£)
Net cash provided by/(used in) operating activities	14	821,531	(1,333,730)
Cash flows from investing activities:			
Purchase of fixed assets		(17,738)	(22,349)
		-----	-----
Net cash used in investing activities		(17,738)	(22,349)
		=====	=====
Change in cash and cash equivalents in the year		803,793	(1,356,079)
Cash and cash equivalents brought forward		1,159,441	2,515,520
		-----	-----
Cash and cash equivalents carried forward	15	1,963,234	1,159,441
		=====	=====

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

1. ACCOUNTING POLICIES

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

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102) (as updated through Update Bulletin 1 published on 2nd February 2016), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

b) Public benefit entity

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

c) Going concern

The Trustees consider the loss of card processing services, and the potential loss of access to banking facilities, to be key material uncertainties that may affect the Trust's ability to continue as a going concern.

The loss of card processing services will continue to impact the level of income in the coming period, significantly affecting the charity's ability to receive donations. A potential loss of banking facilities will also significantly impede the Trust's ability to operate at an optimal level if it materialises. Despite this, the Trustees are confident that the adoption of new processes, adapting the operations of the organisation and seeking alternative facilities will adequately mitigate these key risks.

The trustees are satisfied that the financial position of the charity is sound and the delivery mechanism is operating well with the appropriate safeguards in place. The board of trustees continues to adopt the 'going concern' basis in preparing accounts.

d) Fund accounting

Where specific donations and other income are received for a particular charitable purpose, these are allocated to a restricted fund and expenditure incurred for that purpose is applied against the fund. The charity had no restricted funds in either 2018 or 2017. Interpal's incoming resources are best described as unrestricted funds, expendable at the discretion of the trustees in furtherance of the objects of the charity. Although Interpal has set up a number of separate sub-bank accounts, as well as a system to record the specifics of the donations received, this is for administrative purposes in order to facilitate the proper dispensation of the moral obligations of the Trust, as well as the religious obligations of its donors.

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

e) Income recognition

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

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

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

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

f) Volunteers and other donated services

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

g) Expenditure recognition

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

All expenditure is accounted for on accrual basis. Funds expended are allocated to the particular activity where the cost relates directly to that activity. However the indirect and overhead costs of the central function including the operational and support costs have been apportioned to the charitable and fundraising activities in proportion to the direct expenditure incurred. Expenditure incurred on raising funds relates to the costs expended on attracting donations and other fundraising costs including printing, mailing and donation processing charges. Charitable expenditure comprises of those costs incurred by the charity in the delivery of its aid programme for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

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

h) Tangible fixed assets

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

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

i) Taxation

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

j) Pension scheme

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

k) Foreign currencies

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

l) Operating leases

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

m) Debtors

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

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

n) Cash at bank and in hand

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

o) Creditors and provisions

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

p) Financial instruments

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

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

3. INCOME FROM DONATIONS

	2018 (£)	2017 (£)
Donations	6,532,884	5,414,985
Gift Aid tax claims	411,792	452,824
	-----	-----
	6,944,676	5,867,809
	=====	=====

4. INCOME FROM CHARITABLE ACTIVITIES

	2018 (£)	2017 (£)
Merchandise sale	92,161	38,937
	-----	-----
	92,161	38,937
	=====	=====

The related expenditure for merchandise trading activity amounts to £84,781 (2017: £87,522). This is analysed within expenditure on raising funds and charitable activities.

5. INCOME FROM INVESTMENTS

	2018 (£)	2017 (£)
Bank deposit profit	653	440
	-----	-----
	653	440
	=====	=====

6. EXPENDITURE ON RAISING FUNDS

	2018 (£)	2017 (£)
Printing, Design & Postage	101,629	74,046
Fundraising Events	280,420	391,268
Donations Processing Charges	45,911	25,847
Operational, Support & Staff Costs	174,412	211,903
	-----	-----
	602,372	703,064
	=====	=====

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

7. EXPENDITURE ON CHARITABLE ACTIVITIES

Analysis by area*

	Project Costs	Operational, Support & Staff Costs	2018 Total	2017 Total
	£	£	£	£
West Bank & Gaza	3,169,635	1,291,772	4,461,407	3,870,449
Jordan	236,600	96,425	333,025	254,795
Lebanon	418,675	170,629	589,304	516,748
UK & other grants	343,920	140,163	484,083	728,760
	-----	-----	-----	-----
	4,168,830	1,698,989	5,867,819	5,370,752
	=====	=====	=====	=====

Analysis by field**

	Project Costs	Operational, Support & Staff Costs	2018 Total	2017 Total
	£	£	£	£
Humanitarian Aid	2,671,567	1,088,786	3,760,353	3,020,398
Medical Aid	138,666	56,513	195,179	90,135
Advancement of Education	59,430	24,220	83,650	319,847
Community Development	1,018,747	415,187	1,433,934	1,380,298
Advocacy and Awareness	280,420	114,283	394,703	560,074
	-----	-----	-----	-----
	4,168,830	1,698,989	5,867,819	5,370,752
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2018

Note 7 Continued:

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

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

8. OPERATIONAL AND SUPPORT COSTS

	2018 (£)	2017 (£)
IT costs	80,990	112,041
Premises rentals and overheads	406,408	407,681
Outsourced support services	42,531	38,115
Motor and travel expenses	47,691	37,042
Depreciation	23,562	44,774
Exchange loss	56,368	49,521
Accountancy fee	21,320	19,000
Auditor's remuneration	12,840	7,800
Legal & professional fees	2,100	-
Trustees' travel & subsistence	4,599	5,031
Loss on disposal of fixed assets	18,243	9,150
	-----	-----
	716,652	730,155
	=====	=====

ALLOCATION OF OPERATIONAL AND SUPPORT COSTS

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

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

9. STAFF COSTS

	2018 (£)	2017 (£)
Staff Wages & Salaries	1,059,364	1,009,864
Staff Training and Welfare	5,636	6,859
Employer's National Insurance Contributions	77,293	73,149
Pension Costs	14,456	10,619
	-----	-----
	1,156,749	1,100,491
	=====	=====

ANALYSIS OF STAFF COSTS

Staff by Department	2018	2017
	No.	No.
Fundraising & PR	39	37
Operational & Support	18	20
	-----	-----
	57	57
	=====	=====

The average number of employees during the year was 57 (2017 - 57). No employees had emoluments over £60,000 during the year (2017 - None).

The remuneration and benefits received by the key management personnel during the year amounted to £187,681 (2017 - £210,452). This included salaries and pension costs payable to the Executive Manager and five (2017 - six) senior staff responsible for the operational delivery of the aid programmes and the fundraising.

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

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

10. TANGIBLE FIXED ASSETS

	Motor Vehicles (£)	Fixtures, Fittings & Equipment (£)	Total (£)
Cost			
At 1 st January 2018	103,811	310,739	414,550
Additions	-	17,738	17,738
Disposals	(100,811)	(15,631)	(116,442)
	-----	-----	-----
At 31st December 2018	3,000	312,846	315,846
	=====	=====	=====
Depreciation			
At 1 st January 2018	95,178	239,154	334,332
Charge for the year	2,180	21,382	23,562
Disposals	(96,046)	(2,153)	(98,199)
	-----	-----	-----
At 31st December 2018	1,312	258,383	259,695
	=====	=====	=====
Net Book Value			
At 31 st December 2018	1,688	54,463	56,151
	=====	=====	=====
At 31 st December 2017	8,633	71,585	80,218
	=====	=====	=====

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

	2018 (£)	2017 (£)
11. DEBTORS		
GAD Tax recoverable	1,182,982	932,783
Prepayments	10,627	19,838
Other Debtors	106,356	452,327
Allocated funds for the field	2,226,462	2,311,351
	-----	-----
	3,526,427	3,716,299
	=====	=====

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

12. CREDITORS: amounts falling due within one year

	2018 (£)	2017 (£)
Other taxes & social security	17,240	18,164
Accruals	29,760	25,360
Trade creditors	3,770	265
Other creditors	89,998	74,424
	-----	-----
	140,768	118,213
	=====	=====

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

13. RECONCILIATION OF MOVEMENTS ON UNRESTRICTED FUNDS

	2018 (£)	2017 (£)
Total funds brought forward	4,837,745	5,004,375
Income	7,037,490	5,907,186
Expenditure	(6,470,191)	(6,073,816)
	-----	-----
Total funds carried forward	5,405,044	4,837,745
	=====	=====

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

	2018 (£)	2017 (£)
Net income/(expenditure)	567,299	(166,630)
Depreciation	23,562	44,774
Decrease/ (increase) in debtors	189,872	(1,167,454)
Increase/(decrease) in creditors	22,555	(53,570)
Loss on disposal of fixed assets	18,243	9,150
	-----	-----
Net cash provided by/(used in) operating activities	821,531	(1,333,730)
	=====	=====

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

15. ANALYSIS OF CHANGE IN NET FUNDS

	At 1st January 2018 (£)	Cash flow movement (£)	At 31st December 2018 (£)
Cash at bank and in hand	1,159,441	803,793	1,963,234
	-----	-----	-----
Change in net funds	1,159,441	803,793	1,963,234
	=====	=====	=====

16. RELATED PARTY TANS ACTIONS AND TRUSTEES' REMUNERATION

The Trustees received no emoluments during 2018 (2017 - £nil). During the year £4,599 (2017 - 5,031) was incurred for all Trustees' telephone, travel and subsistence, either by direct payment or reimbursement.

Donations received during the year from the trustees' amount to £12,000 (2017 - £8,300). No conditions were attached to these donations.

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

17. COMMITMENTS UNDER OPERATING LEASES

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

	Land and Buildings	
	2018 (£)	2017 (£)
i) Not later than 1 year	122,458	127,258
ii) Later than 1 year and not later than 5 years	199,807	270,354
iii) Later than 5 years	4,341	25,365
	-----	-----
	326,606	422,977
	=====	=====