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A.M. QATTAN FOUNDATION

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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

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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 2021

Trustees	Omar Abdul Muhsen Al-Qattan, Chair Dr Najwa Al-Qattan Nadia Hijab, Secretary Abla Maayah, Treasurer Dr Khalil Hindi Dr Raif Zreik Professor Khaled Fahmy Dr Mezna Qato
Company registered number	02171893
Charity registered number	1029450
Registered office	Tower House 226 Cromwell Road London SW5 0SW
Director General	Fida Touma - Ramallah
Independent auditors	MHA MacIntyre Hudson Chartered Accountants and Statutory Auditor London
Bankers	EuropeArab Bank 73 Brook Street Mayfair London W1K 4HX Barclays Bank Level 12 1 Churchill Place London E14 5HP
Solicitors	Thomas Eggar 75/76 Shoe Lane London EC31 3JB

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report together with the audited financial statements of the Foundation for the year ended 31 December 2021. The Trustees confirm that the Annual Report and financial statements of the Charity 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).

FOREWORD

This report provides a summary of 2021 achievements measured against the objectives set by our 2020-2024 strategic plan, which was approved by the Board on 12 December 2019, and the work plans set and approved in December 2020 for 2021.

2021 has been an unusual year in that, for the first half, the Foundation followed the old organisational structure, while in the second half, it adopted its new one. It was thus a year of considerable change with significant new challenges. Alongside these changes, coronavirus related measures were still present mostly until the autumn of the year, and in May 2021 Palestine witnessed unrest across all its geographies, particularly in Jerusalem and Gaza Strip. This brought work to a virtual standstill for a few weeks, particularly in Gaza.

In parallel to the restructuring process, programmes and units continued their work and services to their constituents despite several gaps and pauses, for which the Trustees strongly commend the team in Palestine. Similar resilience and resourcefulness were shown by The Mosaic Rooms team in London, which continued its brilliant online and in person programmes despite the frequent and unpredictable disruptions brought on by the pandemic.

The report follows the new organisational structure, summarized in the next point, and a brief on the restructuring process and human resource outcomes is provided under the Administrative Review below.

NEW ORGANISATIONAL STRUCTURE

The restructuring process started in March 2020, with the hiring of an external consultant to lead and support. Three major factors were determinant to the outcomes:

- The elimination of redundancy, cutting costs, to better assure the financial sustainability of the Foundation.
- Greater efficiency of processes and decision-making.
- Better integration and complementarity between programmes and activity centres.

After a full year of deliberations and programme re-engineering, the Board of Trustees (BoT) approved the new structure in March 2021. This was followed by a review of job descriptions, an evaluation of current positions, staff placement decisions and a review of the salary scale. Staff placement results were communicated to West Bank staff in June 2021, and decisions took effect from July. In Gaza, in light of the emergency situation following the Israeli onslaught in May, the Foundation decided to give more breathing room to its staff and so results were communicated two months later in August and took effect in September.

Below is the Foundation's new structure:

I. Director General
II. Director of the Qattan Cultural Centre (Gaza)
III. Administration Department
    a. IT
    b. HR
    c. Procurement
    d. Facilities
IV. Finance Department
V. Public Programme
    a. Curatorial Unit
    b. Community Engagement Unit
    c. Libraries
VI. Culture & Education Programme
    a. Education Unit
    b. Child Creativity Unit
    c. Grants & Capacities Support Unit
VII. Communications & Development Department
    a. Communications
    b. Fundraising
    c. Monitoring and Evaluation (M&E)
    d. Sectoral research
VIII. The Mosaic Rooms (London)

While some activities and tracks were already integral parts to the Foundation's work (mainly the programmatic ones), some are new and still under development (mainly M&E and sectoral research). In addition, the Child Centre in Gaza is transforming into a cultural centre that caters to the wider public and has now been renamed the Qattan Cultural Centre - Gaza. Children and their immediate caregivers remain key and, with the library at its core, the centre is now extending its working hours into the evenings in order to offer a variety of cultural events to the wider public too.

STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES

Objects

The objects of the Charity are 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 - Overview

The activities of the Charity continue to be focused on 1) arts and culture through financial support, training, commissioning of works, partnerships, and public events, and 2) education through teacher empowerment and training and 3) focused community and school engagement, working with children at varying levels and with educational and cultural activities.

These activities that ultimately feed into the Charity's main objective are detailed under three programmes: Culture & Education, the Public Programme and The Mosaic Rooms.

Other activities that serve its internal (and eventually external) environment and sustainability are those deemed to be support functions i.e. the Administration, Finance, Communications & Development departments.

While this extended review and change process was underway, activities in the fields of culture and education continued as previously planned for in 2020.

The Foundation continued to operate from its three main cultural hubs: The Mosaic Rooms in London (gallery & bookshop), the Qattan Cultural Centre in Ramallah (fully-fledged cultural centre), and the Qattan Cultural Centre in Gaza (formerly known as the Qattan Child Centre).

Detailed activities, achievements, and performance

1 CULTURE AND EDUCATION PROGRAMME (CEP):

CEP is the programme that connects the Foundation's in-depth interventions with its different target groups (i.e., teachers, artists, and children). It now combines grant making, teacher training and long-term child-centred activities. Through the restructuring process, redundancies have been eliminated and activities have been aligned within three units. Below is a summary of achievements of each of the three units:

1.1 Education Unit (EU)

Activities were focused on the development of teachers in Palestine and contributed directly to the Foundation's goals of supporting a critical public discussion on culture and education and promoting progressive educational and cultural policies that respond to society's evolving needs. Through long term training and engagement, the unit focused on four key tracks: Drama in Education, Early Childhood Education, Science and Project Based Learning (three tracks) and Community Engagement in Education (community related projects emanating from schools and in select communities as well). This approach included teacher focused training, including of school supervisors and direct engagement with select schools as units of learning and community engagement. In 2021 all activities were co-funded with Drosos Foundation, the Swiss Development Agency and Save the Children International and took place in both the West Bank and Gaza Strip.

In 2021, we received 485 applications from teachers for training (286 from the West Bank and 199 from Gaza), of which 99 were selected (70 from West bank and 29 from Gaza) following a series of workshops. A total of 303 training hours took place, both in person and online, 89 of which were dedicated to the drama in education cohort, 101 to the early childhood one, and 113 to the project based learning/science track. In addition to these, the unit continued its follow up, mentoring and activities with teachers who had received training in 2020, and as a result 11 teachers from Palestine, Jordan and Egypt received certificates of completion from the Drama in Education Summer School and 32 received certificates in Early Childhood Education.

In the community-based track, the unit worked in six schools on initiatives relating to community issues led by the school community in Al Jarishhiya (Tulkarem District), Nablus, Ramallah, Gaza and Yabrud (Ramallah District). The initiatives focused on creating friendly learning and extracurricular spaces as well as using arts and culture tools (e.g., animation) to raise awareness and encourage discussion on issues the school children and their teachers wanted to highlight (e.g., car accidents in the school vicinity). A total of 119 workshops and meetings were held at the schools with 1,785 participants (of which 714 were school pupils and 100 were university students from the same communities).

In addition, the team continued to work on community and artist led initiatives that were identified in 2020 in three localities: Aqraba & Aqqaba in the West Bank and Khan Younis in the Gaza Strip.

1.2 Grants and Capacities Support Unit (GCSU)

The Grants and Capacities Support Unit leads on the Foundation's grant-making activities in culture and long-term capacity-building projects for artists in select fields. These interventions are designed to serve the Foundation's strategic objectives of a) strengthening existing cultural, artistic, and educational structures to make them more dynamic and capable of producing critical and emancipatory thought and knowledge, and b) supporting a general environment that facilitates and endorses the application of the Foundation's role and mission.

In 2021, activities were co-funded by the Al-Qattan Charitable Trust as well as the Swiss Development Agency (SDC) and the Swedish Government.

Grants are offered through publicly advertised open calls. Each call includes guidance on themes, support areas, grant amounts, eligibility, selection criteria, timeframe, and any related conditions. All applications are submitted online. Once submission dates close, the GCSU team and the CEP director consult with the Director General (DG) on jury members following a pre-approved set of guidelines. Once jury members are appointed, an independent panel is formed. Jury members are reimbursed a modest remuneration for their services based on the expected level of effort for each scheme. After declarations of interest are provided by each juror, the panel discusses applications and arrives at a short list of projects to be supported. The GCSU team then communicates the results to all applicants, and the short list is publicly announced along with a jury statement where applicable. Grant amounts are then set by the team following extensive discussions with each of the shortlisted nominees. Once the final list of grantees is selected, contracts are signed, and projects go through the regular grant management cycle.

The Grants offered by the Foundation may be field- or action-specific or they may be general in terms of artistic discipline. In 2021, four grant schemes were announced and/or managed. One provided support to visual arts organisations, the second was for the increase of civic engagement through arts and culture, the third provided broad support for cultural institutions to withstand the severe impact of COVID19, while the fourth was broader and supported festivals and other cultural events.

GCSU followed up on the implementation of 26 seasonal grants that supported cultural and artistic events and festivals in Gaza, Ramallah, Nablus, Bethlehem, Beit Jala, Haifa and Nazareth, as well as in Jordan, Belgium, France, UK, Sweden, Japan, the Czech Republic, and Ireland, and which reached a total audience of around 17,000. Additionally, 17 grants approved in 2020 under the Takatof (Solidarity) Programme totalling $422K were closed. Takatof is a grant scheme initiated in 2020 to support culture and arts organisations to withstand the adverse effects of the pandemic, and after the positive feedback and impact on the arts community in Palestine, it was decided to announce a second round in 2022.

With co-funding from SDC, the sixth round of "Culture, Arts and Community Engagement (CASE)" grants were announced in 2021, and seven new recipients were selected with grants totalling $270K. The team also continued working with the ten recipient visual arts organisations benefiting from the Visual Arts: A Flourishing Field (VAFF) project, co-funded by the Swedish Government. As VAFF was due to end in March 2022 after five highly successful years, the team also worked in 2021 with the full cohort of VAFF grant recipients (13 organisations) on special training and capacity building activities to prepare them for the period after the end of the project, and on the evaluation of the project itself.

In addition, the unit offered six new study grants in music, writing for theatre and set design for students studying abroad (in Italy, Belgium, USA, Scotland and Egypt), while five previous recipients of study grants finished their studies in 2021. For individual artists as well as culture practitioners, the unit announced its residency grants at both the Visual Arts and the Performing Arts studios at the cultural centre in Ramallah, from which eight artists were able to benefit in 2021; while three other artists were able to travel to residencies in France and Italy, also supported by the Foundation.

Under the capacity support track, and in partnership with the British Council and the Royal Court Theatre, the Writing for Theatre workshop took place with six writers and 20 actors participating. This culminated in a final reading of texts with 70 people in attendance, and we expect the publication of these works in 2022. Additionally, eight out of the 11 books slated for publication as part of the Young Writer of the Year Award 2020 were published and distributed, and the 2021 special edition of the Young Artist of the Year Award was underway (project development and mentorship) with the final exhibition of the works of the six participating artists scheduled for early 2022.

1.3 Child Creativity Unit

This unit leads long-term activities for children aged five to seventeen which are currently based only in the cultural centre in Gaza although it hopes to expand to the West Bank in 2022/2023. Its activities support the Foundation's strategic objectives of a) developing and making available cultural output to a wider public to encourage it to become more active and responsive, b) supporting a general environment that facilitates and endorses the application of the Foundation's role and mission, and c) promoting the Foundation as a leading and pioneering institution which can serve as an inspiring model.

This unit runs six key tracks: Creative Writing (Arabic & English), Visual Arts, Performing Arts, Audio-visual Arts, Science and a FabLab.

Long-term training (through its clubs) and shorter term workshops targeted at specific schools and audiences, to expose children to new practices and stimulate their interest, are offered as well as various activities during the summer and winter school breaks open to a wider audience.

In 2021, 450 children participated in the long-term training programmes (in the six tracks above), 1,000 children participated in 18 medium-term training programmes and workshops with schools and select audiences attracted around 1,100 participants. More than 13,000 children took part in season-related activities.

The cultural centre in Gaza programmes its activities in seasonal rounds (winter, spring, summer and autumn) and, at the end of each season, the results are presented to the public. At the end of the summer season (high season because of the summer school break) a full day of exhibitions and performances was organised and attended by parents, teachers and various stakeholders; similarly, the winter season also concluded with an open day of exhibitions and activities for children and parents. Outcomes of spring and autumn activities were shared via publications and videos on social media.

2 THE PUBLIC PROGRAMME (PP)

The Public Programme delivers the Foundation's events and activities. It is tasked with curating, commissioning and managing the Foundation's offer to the public at its cultural centres and reaching out and engaging with the different geographies of Palestine. The Public Programme operates through three units: the Curatorial Unit, the Community Engagement Unit and the Libraries Unit. While the former two work in a concomitant manner, the latter is more independent.

2.1 Curatorial Unit (CU)

The Curatorial Unit leads on programming the annual calendar of events at the Foundation's cultural centres in Ramallah and in Gaza. It does this by curating events (such as exhibitions and film screenings), commissioning projects that culminate in public exhibitions (such as the science and food culture projects), and through partnerships with cultural practitioners to showcase their work at the Foundation (such as performing arts and music). The activities of this unit support the Foundation's key objective of developing and making available cultural output to a wider public to encourage it to become more active and responsive.

In 2021, 81 events took place at the Cultural Centre in Ramallah, while 19 took place in Gaza. In Ramallah, 3 visual arts exhibitions were curated, 46 films were screened, 6 music and 3 theatre performances took place, and 4 public lectures, 2 poetry readings, 7 symposia, 5 artist talks, 1 "food culture" activity, 1 "video art" workshop and 3 "science" projects were commissioned. These activities attracted around 6,100 individuals in person and 20,100 online. In Gaza, as the centre gradually opened its doors to the public, 11 film screenings were organised along with 6 performances, and 1 artist talk was attended in person by around 620 people.

Some of the events that are worth highlighting in 2021 were: the *50 Villages: 20 Artists* exhibition in cooperation with RIWAQ - Centre for Architectural Conservation, an exhibition from the Foundation's art collection and a year-long research project culminating in a critically acclaimed exhibition, *Palestine from Above*. A film programme was curated in cooperation with the 2019 Berlin International Film Festival (Berlinale), with 39 alternative films showcased, and in Gaza in cooperation with FilmLab Gaza, additional films were screened for families. The Video Art workshop was organised in cooperation with the Film Makers Cooperative in New York, while the poetry readings, *Spoken Word* were curated by Yasmine Khawaja with 12 performers and poets attracting huge interest from young people. Prof. W.J.T Mitchel conducted a series of four online talks on schizophrenia and visual culture, with four other interlocutors and both a live online and in person audience. In addition, the online dialogues series entitled *Culture in Crisis: Crisis in Culture,* that had started during the pandemic in 2020 continued with seven new debates. Finally, through an open call for cultural and science interventions to be developed and showcased at the Science Studio and entitled *Decolonizing Science*, three projects were selected and went through an extensive development process to be showcased in 2022.

2.2 Community Engagement Unit (CEU)

The Community Engagement Unit works concomitantly with the Curatorial Unit in devising and developing activities and opportunities for different types of audiences alongside the public calendar of events. It plays the role of interpreter, mediator and moderator to different target groups including children, university students, neighbours, academics, senior citizens, etc. Its activities support the Foundation's key objective of developing and making available cultural output to a wider public to encourage it to become more proactive by developing various levels of involvement and engagement with audiences. In 2021, the unit focused on reaching a larger audience, targeting new groups, and working with the local neighbourhood in Ramallah and through its extensive outreach services in the Gaza Strip.

In Ramallah, the unit organised 5 tours of exhibitions, 28 visits for schools and universities to the Cultural Centre, and two interpretive workshops in conjunction with the *Palestine from Above* exhibition, as well as four workshops for academics and critics in cooperation with the Arab Council for the Social Sciences (ACSS) whose resulting articles were published on the ACSS website. Additionally, and in cooperation with the Palestinian Association for Children's Encouragement of Sports (PACES,) forty-three children took part in a specially design cultural programme participating in workshops in five different disciplines: animation, science, visual arts, cinema, and music. The workshops were designed to take the children on a journey through these practices from general exposure to creating their own work. This programme was designed as a pilot for future activities with children in the West Bank. Parallel to this, the unit commissioned social researcher Reham Sama'neh to conduct research into the Ramallah community to better understand its needs and to identify how to build a well-informed engagement plan which it is hoped will feed into 2022 work plans.

In Gaza, as part of the centre's continuous engagement with children under six and their caregivers, 29 mothers took part in specialist workshops in puppet making and the Montessori method, around 79 child/parent activities were organised, and 26 meetings co-led by parents were held on topics integral to child development attended by 60 parents. Additionally, two full day trips were organised for parents and children that included entertainment, exposure to the Palestinian eco-system and motor skills development activities. The mobile Library Bus and the Child Friendly Spaces (CFS) programme resumed in late summer after a long freeze as a result of coronavirus restrictions. The bus worked with five schools and five organisations that cater for children with disabilities and organised visits to the CFSs, who also resumed their weekly programme. In total around 3,300 children took part. As part of its partnerships with local cultural organisations, the centre took part in the annual music festival "Sea & Freedom" organised by the Edward Said National Conservatory of Music, by hosting the Music Bus and its performances. Finally, the centre co-organised five shows for children and families in different locations of the annual circus festival "Festiclown".

2.3 Libraries Unit

The Foundation prides itself on its two libraries. The Gaza Library is one of the best equipped children's libraries in the region and is a haven for children, young adults and families; while the Leila Miqdadi al-Qattan Library in Ramallah caters to a wider public and provides a diverse collection of books relating to the social sciences and humanities for adults while also been building up its collections for children and young adults. The library has become a hub for university students, freelancers, senior citizens and families.

In Gaza, the Library served 18,000 members attracting 1,715 new members in 2021. More than 21,000 library materials were lent and returned during the year and 20 schools and school libraries were supported via the lending programme with around 6,500 library materials loaned. Additionally, the library extended its working hours until 6.00pm on Sundays and Wednesdays as part of its effort to increase its offer and reach a new audience.

In Ramallah the library spaces are also open to the public, many of whom use them for their work or study. It received over 13,000 visitors in 2021. The total number of memberships was 776 with 188 new members during 2021. The library lent 3,500 books throughout the year.

In addition, both libraries held several public events, including nine book launches in Ramallah and one in Gaza. An exhibition was also organised within the library space in Ramallah and in the adjacent vitrine. In Gaza 15 workshops for children were organised (calligraphy & reading), 14 book club meetings and 59 schools and organisations benefited from tours and library activities organised throughout the year.

3 THE MOSAIC ROOMS (MR)

The Mosaic Rooms is a non-profit art gallery and bookshop in London dedicated to supporting and promoting contemporary culture from the Arab world and beyond, through free art exhibitions, a multidisciplinary events programme including film screenings, current affairs talks and book launches, and a creative learning programme. MR works in partnership with local, national and international organisations to disseminate their programme to the widest possible audience in London and further afield. Previous partners include The British Museum, Institute of Contemporary Arts (ICA), Shubbak Festival, London Design Festival and the London Festival of Architecture, amongst others. MR also organises the annual Edward W. Said London lecture.

In 2021, the effects of the pandemic were still being felt. The space was only allowed to reopen in May 2021, and there were public restrictions on capacity and events throughout most of the year. The new coronavirus strains also impacted public attendance, particularly towards the end of the year. Although physical audiences did not return to pre-pandemic levels and remained comparatively low there was a noted increase as people began to resume activities.

During this period, MR managed to present two new exhibitions and an increased number of in person events for the public programme. In May, it reopened with the final weeks of Heba Y. Amin's 2020 exhibition *When I see the future, I close my eyes* curated by Professor Anthony Downey. This was followed by the first UK solo exhibition by collective Fehras Publishing Practices. *Borrowed Faces: Future Recall* saw a new series of work shown for the first time. The exhibition was also part of the 2021 Shubbak Festival and the artists took part in a residency collaboration with Delfina Foundation around the exhibition opening but unfortunately caught the coronavirus so could not complete it. In October *Stateless Heritage* by Decolonising Architecture Art Research (DAAR) opened, presenting for the first time in the UK their work on nominating Dheisheh refugee camp in Palestine as a World Heritage Site. All exhibitions received notable press coverage including Frieze, Art Monthly, Art Forum and The Guardian.

There were 29 in-person events and 25 online events as part of the public programme offer, which is built around the exhibitions and their concepts. In person events ranged from discussions on the Black Phoenix and Third Text with Hammad Nasar and Rasheed Araeen, to translation and zine making workshops with Mother Tongues and LUMIN. As part of DAAR's exhibition one of the exhibition spaces was transformed into Al-Madafeh (a living room) where small sessions of around 15-20 participants were held. Activities included a game imagining Palestinian futures with Dana Abdulla, workshops and poster printing sessions with Migrants in Culture relating to the new UK immigration laws and solidarity playlist sessions with Sound Advice. A monthly film programme included films by Dima Srouji and Marwa Arsanios as well as other screenings in collaboration with Temporary Art Platform Beirut and London Migration Film Festival. Online events saw a closing conversation with Michael Rakowitz, Larissa Sansour and Heba Y Amin as part of the *When I see the future, I close my eyes* exhibition programme, and our first collaboration with Architecture Foundation on three pre-recorded panel discussions which were placed on their YouTube channel.

Over 2021 we also launched our first micro commission, which invited London based artist Abbas Zahedi to create a postal art project. The resulting project, *To the Sour Sowers*, saw 500 Risograph prints distributed in UK, Europe and internationally. The Mosaic Rooms published its first book in collaboration with Book Works, *Anamorphosis* by Praneet Soi, which was featured in Art Monthly and Art Asia Pacific. We also collaborated with English PEN to host a writer's residency. Nayrouz Qarmout a writer from Gaza, was invited to stay in the basement studio as writer in residence for a month, resulting in a text piece which will be translated and released over 2022. The Mosaic Rooms team published a call for cultural organisations to join in solidarity with Palestine. Our 'Call to Cultural Organisations, Artists, and Writers for Solidarity with Palestine' was launched on 19 May 2021 and received signatures from over 88 organisations and 600 individuals.

The creative learning strand was able to realise more in person projects in 2021, delivering to a range of participants and establishing new partnerships with successful and meaningful outcomes. This included working with three local secondary schools on a month-long art project *Lockdown Diaries: Over & Out*. The project was led by artists Aya Haidar and Marwan Kaabour and worked with 60 students and 5 teachers. In the autumn, we worked with 24 young people in partnership with Into University and New Citizen's Gateway as part of the project *Ikhtiar / Choice* led by artists Zahra Haji Fath Ali Tehrani and Nia Fekri. For families we ran online and in person workshops. We also commissioned local designers to create activity sheets to provide a family friendly experience for visitors to the gallery. 2021 also saw our first children's play project: making use of our outside space we commissioned local emerging Sudanese artist Alaa Satir to create an installation for the garden that young children could use for play and creativity. An increased number of young and family visitors was noted over this period. During the DAAR exhibition we welcomed 132 students from Higher Education organisations including RCA, LSE, Bartlett School of Architecture and Goldsmiths College. Also, during this period, we engaged adult community groups through private tours of the exhibitions.

With the help of a part-time Development Manager The Mosaic Rooms successfully achieved £59,720 in fundraising income for activities during 2021. This included developing new relationships with the Graham Foundation and IASPIS and continuing relationships with Arts Council England and Cockayne-Grants for the Arts. The bookshop also improved its income making potential, however other income streams such as the bar, studio and venue hire were not possible due to the coronavirus restrictions in place. Other income was generated thanks to the Gallery and Exhibition Tax Relief and the HMRC Job Retention Scheme Credits. The latter offered support to organisations when staff needed to be put on furlough. Staff remained on a rota working between office and home in line with government guidelines.

The Edward W Said London Lecture was postponed due to coronavirus restrictions and is planned for 2022 with Professor Abdulrazak Gurnah, laureate of the 2021 Nobel Prize for Literature.

4 COMMUNICATIONS & DEVELOPMENT

The Communications and Development Department is new and was set up as a result of the restructuring process. It is intended to be the hub of internal and external knowledge exchange, supporting our goal of being knowledge producers and a learning organisation. The department is still in the process of establishment, but it includes two existing units - communications and media, and fundraising - and will be adding new, key functions: monitoring and evaluation, and sectoral research.

In 2021, our social media outlets witnessed an increase in subscribers of 11% on Facebook and 23% on Instagram. The unit produced 95 promotional materials and 42 videos and enriched our YouTube channel with 171 new videos. Our website remains one of the most visited in Palestine with around 187,000 individual visits in 2021. The unit also oversaw the publication of nine new books produced by the Foundation's various programmes.

The Foundation had 11 co-funding agreements during the reporting period, making up 19% budget at the Charity (excluding the funding received from the Al-Qattan Charitable Trust and the Al-Qattan family). Co-funding partners were the Swiss Development Agency (SDC), the Swedish Government, Centre for Modern Oriental Studies in Germany-ZMO, Save the Children International, IDRF-Canada, Taawon, Al Mawred Al Thaqafy (Culture Resources), Drosos, and the King Bedouin Fund-US.

5 ADMINISTRATIVE REVIEWS

During 2021, much time and effort was expended in the organisational restructuring process and its HR related ramifications. This was done parallel to implementing coronavirus regulations and tending to health, safety and security of facilities and systems especially during the onslaught on Gaza in May 2021. It is important to note that the process of restructuring affected only Palestine staff and not those in the UK.

The final format of the organisational structure was approved by the BoT in March 2021, after which HR related issues occupied our full attention. All job descriptions were reviewed, all positions evaluated, the salary scale updated, and placements of each employee discussed and finalized. This took place in partnership with an external consultant, an ad-hoc board committee, BoT, senior staff, our legal counsel, and the Ministry of Labour in Palestine, which was informed of results regularly as required by law. By the end of 2021, 21 employees had been made redundant, leaving 67 permanent staff in Palestine (down from 95 at the end of 2020).

In terms of the development of facilities and related services, we tendered and commissioned a photovoltaic cells system at the cultural centre in Ramallah, at a total cost of $149,635. The system is designed to generate around 175 megawatts per year, thus covering around 45% of our annual electrical consumption and covering the capital cost within six years. We also joined the municipal water grid and for a small annual fee starting in 2022, we will be able to irrigate all gardens at the centre using recycled/treated water, thus decreasing our annual water consumption by at least 35%. Additionally, a stage and sound system for external events was procured for the centre in Ramallah, and the events' online booking system was launched. 90% of water insulation problems were also resolved.

The cultural centre in Gaza underwent maintenance and refurbishing for false ceilings, doors and glass partitions as well as elevators and electricity generators. An architect was also contracted to work on remodelling internal spaces to accommodate a more diverse set of activities.

The BoT approved new due diligence guidelines for donors and grantees, as well as a curatorial policy. An internal audit by Deloitte also took place. A total of 10 study grants totalling of $20,400 for employees' children were approved by the BoT.

The following rental income was achieved during the year:

- Equipment rental: $11,352.
- Facilities rental: $82,479, of which $70,629 was generated from our old Ramallah premises which are currently leased to the Barenboim-Said Music Foundation (BSMF).

Al Matal Restaurant opened all year round (except for January) and despite a loss of $127,449 (including depreciation costs of $54,230), the restaurant enjoys an excellent reputation. The restaurant's operational costs remained very high and for this reason the BoT decided to outsource it in December.

Finally, in line with long-term development plans, 96 out of 224 shares of the land lot at the western border of the Ramallah centre were purchased and it is planned to acquire the remaining 128 shares in 2022 as part of our ambition to preserve the surrounding natural landscape.

FUNDRAISING STANDARDS

The Foundation has an in-house Resource Development (RD) 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 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 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. That role will become part of the new Communications and Development Department under the new organisational structure. In July our incumbent RD manager resigned, and the post remain vacant till end of the year.

The Foundation does not solicit funding from the public or from individuals except in very rare cases that would be disclosed to the Trustees beforehand. No complaints were received from members of the public about the Foundation's fundraising activities.

PLANS FOR THE FUTURE

As restructuring has taken more time than anticipated, some tasks from 2021 will be carried into 2022, including:

- Reviewing the strategic plan to reflect the new structure and
- Building the Foundation's brand, reviewing its communications strategy and content and developing a new website.

Additionally, we plan to:

- Develop a Monitoring & Evaluation framework.
- Evaluate the Foundation's digital environment and prepare for a transformation.
- Open new co-funding channels.
- Refurbish one of our older buildings in Ramallah (the old Al-Quds University campus building) and lease it.
- Improve and upgrade the landscape and pathways around the Cultural Centre in Ramallah, especially in the newly acquired adjacent land plots.
- Tender and implement internal remodelling works at the Centre in Gaza.

6 FINANCIAL REVIEWS

Incoming resources in the 12 months to December 2021 were £11,787,805 which was higher than £5,875,422 in the 12 months to December 2020. The main sources of funding for the Foundation's core programme and administrative expenses are the Al-Qattan Charitable Trust, Jersey, Omar Al-Qattan, Najwa Al-Qattan and Leenah Al-Qattan.

The heirs of the late Leila Al-Qattan, namely her children Najwa, Leenah, Hani and Omar Al-Qattan formally bequeathed her house in Amman, Jordan to the Charity through the Jordanian Sharia Courts after her death on January 27 2015 and after the passing of her late husband on December 4 2017. However, foreign entities cannot legally own real estate in Jordan except through the establishment of a non-operating foreign company (in this case, a branch of the UK charity) a convoluted process requiring the approval of the Ministry of the Interior, which took until 2021 to complete. Moreover, as Jordanian Real Property Law does not allow the Charity to rent nor sell the property for the first 6 years after its registration (except for its use as a residency or office of the Charity's official representative in Jordan), the Trustees have opted to recognize the house as a tangible asset. The Charity is able to appeal to the Jordanian authorities to reduce this period and plans to do so in 2022, in order to allow it to sell the asset as soon as possible.

Total expenditure was £7,042,966 which has decreased from £8,767,545 in the previous period. The percentage of total expenditure vs. the approved budget for this year was 78%.

Overall, the Charity reported a surplus for the year of £4,952,814 *(2020 - net deficit of £3,540,896)*.

At the end of the fiscal year, the balance of the provident fund for employees in Palestine was £825,313 while the severance fund balance for employees in Palestine was £1,381,035.

The funds of the Charity carried forward as at the 31 December 2021 were £44,746,550 of which £28,744,319 was held as restricted funds and £16,002,231 as unrestricted funds.

Reserves policy

The Trustees have reviewed the Foundation's needs for reserves in line with the guidance issued by the Charity Commission.

The Trustees believe that a prudent level of reserves would be in the region of £1,700,000. This would enable the Foundation to have the financial resources to meet employees' salaries and basic running costs for 6 months.

The Al-Qattan Charitable Trust in Jersey has been the Foundation's largest donor to date, over a period of more than twenty-one years. The Al-Qattan Charitable Trust was set up with a mandate to support the Foundation's core programmes and running expenses, among other charitable goals. The Foundation's Trustees feel confident of the short and the medium-term security of this funding source. However, they also regard the emergency provisions outlined above as necessary to cover any suspension of the Al-Qattan Charitable Trust's funding for reasons beyond their control.

At the year end the free reserves of the Charity (as defined by unrestricted funds not held as fixed assets) was £2,507,438 which is £807,438 in excess of this 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 corning year. However, at the end of 2022 they will review the level and policy for free reserves as part of the budget setting plan and in line with the strategic plan.

Investment Policy

During 2020, the Board's Investment Committee recommended the appointment of an investment advisor to help it place its excess cash reserves in a conservatively managed portfolio which would generate better returns than the currently very low rates offered on the money markets. Thus, a selection process was undertaken to appoint the advisor and three candidates were considered on the basis of their experience with charities, trusted third party recommendations, size and cost, with the Jersey-based firm Enhance winning the bid. Following a presentation of a draft investment policy by the Board, a "beauty parade" of three possible investment managers picked by Enhance was presented to the committee, the final choice going to Sarasin & Partners in London. The due diligence and onboarding process was then launched, and, in August 2021, the Charity transferred $2.5 million to Sarasin & Partners.

The Charity's investment policy is the preservation of capital against inflation while pursuing conservative to very conservative strategies with an allocation of a maximum of 40% in global bonds and a maximum of 60% in global equities. We have also asked an half-yearly payment of £50,000 to be paid from investment income to the Charity subject to a request from the Investment Committee. However, as we have not needed this income during the first six months and as markets have been very volatile and depressed in the first few months of 2022, the committee has made no such requests to date.

As the portfolio was launched only in August of last year, it is not yet possible to provide an annual performance overview.

Principal risks and uncertainties

In 2021, the coronavirus continued to be a risk mainly for the first half of the year, varying in severity between the different geographies of operations. However, by summer almost all operations went back to normal, with continuous observations of health regulations.

Other risks that have been identified by end of 2021, in addition to that of operating in a politically unstable space, were mainly:

- Political volatility in regions of work. The Occupied Palestinian Territory (oPT) remains a politically volatile place to work. This may pose risks to operations, staff or property. The Charity has a number of mitigation plans in place. Fortunately, no major incident has happened so far.
- The internal audit office has indicated the need to develop clear authority matrices and a number of policies and procedures, especially that the Charity has moved into its new building and gone through a restructuring process. The DG is to contract external parties and work with senior staff to develop these authority matrices and to update accounting and procurement policies and HR procedures accordingly.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

The Charity is governed by policies and procedures devised with support from a professional firm of auditors to cover all operations, which are then discussed and approved by the BoT, as are a semi-annual and annual narrative and financial report on all programmes, projects, and management issues. The BoT meets with the senior management team (SMT) at least twice a year. The SMT is composed of all members of staff at director level and by 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) in Geneva, the European Union, the Palestinian Museum and many others. Historical and current projects have mainly been co-funding interventions in medium to long-term strategic goals. Our Chair of the Board was elected to chair the Palestinian Museum in August 2020. However, he plays no part whatsoever in discussions or decisions relating to joint projects between the two institutions. Since 2020, he is also a member of the General Assembly of Taawon (Geneva). The Foundation provides free office space at its London offices to Welfare Association (UK), Taawon's UK partner organisation.

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

The Constitution of the Charity

The Charity is a registered charity and a company limited by guarantee.

The Articles of Association set out the Charity's purposes and its governing structure. They are supported by a Governance Manual which lays out in detail policies and processes related to all governance functions.

Recruitment and Induction of Trustees

The Charity may by ordinary resolution appoint a person who is willing to be a Trustee. Potential candidates are recommended by the Nominations Committee. Selection criteria is 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 recommended for approval by the Board.

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 (except for the Director General (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 and members of the general public interested in cultural and educational activities; 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, economically disadvantaged communities or refugee camps), without compromising the quality of services provided.

This report was approved and authorised for issue and signed on its behalf by:

.....

Omar Al-Qattan

Chair, Board of Trustees

Date: 2/9/2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees (who are also the Directors of the Foundation for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Foundation and of its incoming resources and application of resources, including 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation 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 Foundation 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 Foundation'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.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:

Omar Abdul Muhsen Al-Qattan
Trustee
Date: 2/9/2022

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 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 charitable company's affairs as at 31 December 2021 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

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 including the Strategic 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 including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Enquiries made of the component auditors of the Palestine branch.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 and Statutory Auditor
London

Date:

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*As restated Total funds 2020 £*
Income from:					
Donations, legacies and grants	3	**6,365,314**	**4,650,600**	**11,015,914**	*5,306,398*
Charitable activities	4	**45,420**	**80,329**	**125,749**	*99,292*
Other trading activities	5	**-**	**257,867**	**257,867**	*138,971*
Investments	6	**176,746**	**185,188**	**361,934**	*287,894*
Other income		**-**	**26,341**	**26,341**	*42,867*
Total income		**6,587,480**	**5,200,325**	**11,787,805**	*5,875,422*
Expenditure on:					
Raising funds	7	**42,414**	**310,484**	**352,898**	*45,024*
Charitable activities	8,9	**797,636**	**6,236,165**	**7,033,801**	*7,740,035*
(Gain)/ loss on foreign exchange		**(26,559)**	**(317,174)**	**(343,733)**	*982,486*
Total expenditure		**813,491**	**6,229,475**	**7,042,966**	*8,767,545*
Net (losses)/gains on investments	15	**(645,390)**	**853,365**	**207,975**	*(648,773)*
Net movement in funds		**5,128,599**	**(175,785)**	**4,952,814**	*(3,540,896)*
Reconciliation of funds:					
Total funds brought forward		**10,873,632**	**28,920,104**	**39,793,736**	*43,334,632*
Net movement in funds		**5,128,599**	**(175,785)**	**4,952,814**	*(3,540,896)*
Total funds carried forward		**16,002,231**	**28,744,319**	**44,746,550**	*39,793,736*

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

All income and expenditure derive from continuing activities.

The notes on pages 25 to 50 form part of these financial statements.

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*As restated Total funds 2020 £*
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The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 25 to 50 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	14		**25,301,254**		*21,915,089*
Investments	15		**14,770,659**		*14,554,923*
			40,071,913		*36,470,012*
Current assets					
Stocks	16	**17,484**		*20,491*	
Debtors	17	**1,509,259**		*1,493,734*	
Cash at bank and in hand	23,24	**7,332,392**		*7,214,354*	
		8,859,135		*8,728,579*	
Creditors: amounts falling due within one year	18	**(1,978,150)**		*(2,646,337)*	
Net current assets			**6,880,985**		*6,082,242*
Total assets less current liabilities			**46,952,898**		*42,552,254*
Provisions for employees' benefits	19		**(2,206,348)**		*(2,758,518)*
Total net assets			**44,746,550**		*39,793,736*
Charity funds					
Restricted funds	20		**28,744,319**		*28,920,104*
Unrestricted funds	20		**16,002,231**		*10,873,632*
Total funds			**44,746,550**		*39,793,736*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....

Omar Abdul Muhsen Al-Qattan
Trustee
Date: 2/9/2022

The notes on pages 25 to 50 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	22	**4,072,596**	*(392,205)*
Cash flows from investing activities			
Investment income	6	**361,934**	*200,441*
Purchase of tangible fixed assets	14	**(4,416,663)**	*(1,037,882)*
Proceeds from sale of investments	15	**1,910,689**	-
Purchase of investments	15	**(1,810,518)**	-
Net cash used in investing activities		**(3,954,558)**	*(837,441)*
Change in cash and cash equivalents in the year		**118,038**	*(1,229,646)*
Cash and cash equivalents at the beginning of the year		**7,214,354**	*8,444,000*
Cash and cash equivalents at the end of the year	23	**7,332,392**	*7,214,354*

The notes on pages 25 to 50 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. 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 Foundation 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) 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 but conducts the majority of its business via a branch in Palestine, where US dollars is the preferred currency. Amounts presented in these financial statements are rounded to the nearest pound.

2.2 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 Foundation 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 Foundation's forecasts and projection. After making enquiries, the Trustees have concluded that there is a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. The Foundation therefore continues to adopt the going concern basis in preparing its financial statements.

2. Accounting policies (continued)

2.3 Income

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 fulfillment 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 Foundation 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.

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.

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.

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.

2. Accounting policies (continued)

2.4 Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Foundation to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Foundation's objectives, as well as any associated support costs.

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

Other expenditure represents those items not falling into the categories above.

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.

2.5 Foreign currencies

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

2.6 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.

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided 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

2.8 Investments

Fixed asset investments are a form of basic financial instrument and 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.

Investment properties are recorded at fair value at each reporting date with changes in fair value recognised in net (gains)/losses in the Statement of Financial Activities.

Investments held as fixed assets are shown at cost less provision for impairment.

2.9 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.

2.10 Debtors

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

2.11 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.

2. Accounting policies (continued)

2.12 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Foundation anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.13 Financial instruments

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

Investments - managed investments and investment properties are classified as basic financial instruments and are held at their fair value as detailed in Note 15.

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 17. 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 18. 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.

2.14 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.

2.15 Termination payments

Termination benefits, including redundancy costs, are recognised when the Charity has the obligation to pay the benefits and they can be reliably measured.

2. Accounting policies (continued)

2.16 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.

2.17 Critical accounting estimates and areas of judgement

Estimates and judgements 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, the following judgements have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the accounts:

- Depreciation rates for tangible fixed assets
- Basis of valuation of investment properties and financial investments
- Basis of valuation of artworks
- Foreign exchange movements

2.18 Restatement of comparative period results

We have reclassified income to better reflect the operations of the Charity. As a result, we have restated elements of the comparative Consolidated Statement of Financial Activities. This comparative restatement had no impact on the net result for the year nor total reserves held as at 31 December 2020. The impacted notes are as follows:

The income previously reported on were as follows:
- Note 3 - Income from donations, legacies and grants - Donations (Restricted Funds) - £4,507,611
- Note 4 - Income from charitable activities – Culture and Education - £0
- Note 5 - Income from other trading activities - £0
- Note 6 - Investment income (Restricted funds) - £25,472

After the restatement, the income is reported as follows:
- Note 3 - Income from donations, legacies and grants - Donations (Restricted Funds) - £4,227,093
- Note 4 - Income from charitable activities - Culture and Education - £11,227
- Note 5 - Income from other trading activities - £138,971
- Note 6 - Investment income (Restricted funds) - £112,925

The above restatement had no impact on reported income, either in total or by fund.

3. Income from donations, legacies and grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	6,317,527	3,061,296	**9,378,823**
Grants	26,230	1,589,304	**1,615,534**
Government grants	21,557	-	**21,557**
Total 2021	6,365,314	4,650,600	**11,015,914**

The Charity has claimed funding from government support schemes in response to the coronavirus outbreak. The Charity furloughed its staff under the government's Coronavirus Job Retention Scheme and funding received of £21,557 (2020: £40,224) relates to staff costs in respect of those furloughed staff members. There are no unfulfilled conditions and other contingencies attaching to grants that have been recognised in income.

	Unrestricted funds 2020 £	*As restated Restricted funds 2020 £*	*As restated Total funds 2020 £*
Donations	*501,493*	*4,227,093*	*4,728,586*
Grants	-	*537,588*	*537,588*
Government grants	*40,224*	-	*40,224*
Total 2020 as restated	*541,717*	*4,764,681*	*5,306,398*

As noted in accounting policy 2.18, the comparative amounts have been restated to better reflect the operations of the Charity.

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
The Mosaic Rooms	45,420	61,956	**107,376**
Culture and Education	-	18,373	**18,373**
Total 2021	45,420	80,329	**125,749**

	Unrestricted funds 2020 £	*As restated Restricted funds 2020 £*	*As restated Total funds 2020 £*
The Mosaic Rooms	*11,572*	*76,493*	*88,065*
Culture and Education	-	*11,227*	*11,227*
Total 2020 as restated	*11,572*	*87,720*	*99,292*

As noted in accounting policy 2.18, the comparative amounts have been restated to better reflect the operations of the Charity.

5. Income from other trading activities

	Restricted funds 2021 £	Total funds 2021 £
Restaurant income	257,867	**257,867**

	As restated Restricted funds 2020 £	*As restated Total funds 2020 £*
Restaurant income	*138,971*	*138,971*

As noted in accounting policy 2.18, the comparative amounts have been restated to better reflect the operations of the Charity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. Investment income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Rental income	176,470	59,954	**236,424**
Income from listed investments	-	43,417	**43,417**
Bank interest receivable	276	81,817	**82,093**
Total 2021	176,746	185,188	**361,934**

	Unrestricted funds 2020 £	*As restated Restricted funds 2020 £*	*As restated Total funds 2020 £*
Rental income	*174,839*	*25,779*	*200,618*
Income from listed investments	-	*61,674*	*61,674*
Bank interest receivable	*130*	*25,472*	*25,602*
Total 2020 as restated	*174,969*	*112,925*	*287,894*

As noted in accounting policy 2.18, the comparative amounts have been restated to better reflect the operations of the Charity.

7. Cost of raising funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Investment management costs	42,414	-	**42,414**
Restaurant costs	-	310,484	**310,484**
	42,414	310,484	**352,898**

	Unrestricted funds 2020 £	*Total funds 2020 £*
Investment management costs	*45,024*	*45,024*

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

8. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
The Mosaic Rooms	364,287	-	**364,287**
Culture and Education	298,041	4,523,410	**4,821,451**
Public Programme	135,308	1,712,755	**1,848,063**
Total 2021	797,636	6,236,165	**7,033,801**

	Unrestricted funds 2020 £	*Restricted funds 2020 £*	*Total funds 2020 £*
Culture and Arts Programme	*135,461*	*2,426,947*	*2,562,408*
Educational Research & Development Programme	*99,604*	*1,738,822*	*1,838,426*
Child Centre	*91,635*	*2,219,401*	*2,311,036*
Public Programme	*43,826*	*858,048*	*901,874*
The Mosaic Rooms	*126,291*	-	*126,291*
Total 2020	*496,817*	*7,243,218*	*7,740,035*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2021 £	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £
The Mosaic Rooms	279,210	35,000	50,077	**364,287**
Culture and Education	1,661,774	750,748	2,408,929	**4,821,451**
Public Programme	754,432	-	1,093,631	**1,848,063**
Total 2021	2,695,416	785,748	3,552,637	**7,033,801**

	Activities undertaken directly 2020 £	*Grant funding of activities 2020 £*	*Support costs 2020 £*	*Total funds 2020 £*
Culture and Arts Programme	*463,827*	*1,149,078*	*949,503*	*2,562,408*
Educational Research & Development Programme	*1,104,615*	*46,868*	*686,943*	*1,838,426*
Child Centre	*1,394,041*	*71,470*	*845,525*	*2,311,036*
Public Programme	*555,657*	*10,754*	*335,463*	*901,874*
The Mosaic Rooms	*98,402*	-	*27,889*	*126,291*
Total 2020	*3,616,542*	*1,278,170*	*2,845,323*	*7,740,035*

9. Analysis of expenditure on charitable activities - by type (continued)

Analysis of support costs

	Total funds 2021 £	*Total funds 2020 £*
Staff costs	**1,539,765**	*1,155,548*
Depreciation and impairments	**1,282,931**	*1,385,120*
Advertisement and promotion	**28,776**	*21,079*
Events and activities	**2,758**	*3,519*
Governance costs	**32,040**	*26,215*
Insurance	**22,785**	*24,312*
Legal and professional fees	**84,375**	*32,064*
Maintenance and consumables	**267,020**	*35,035*
Other costs	**174,968**	*101,494*
Other staff costs	**23,874**	*8,074*
Premises costs	**85,902**	*44,752*
Subscriptions and membership fees	**3,357**	*7,906*
Transportation, travel and accommodation	**4,046**	*205*
Residencies and workshop expenses	**40**	-
	3,552,637	*2,845,323*

10. Governance costs

	2021 £	*2020 £*
Auditor's remuneration - Audit of the financial statements	**16,800**	*12,600*
Auditor's remuneration - Preparation of the financial statements	**4,140**	*3,840*
Auditor's remuneration - Other non-audit services	**11,100**	*9,775*
	32,040	*26,215*

11. Summary of grants paid

	2021 £	*2020* *£*
Grants paid to institutions	**562,266**	*1,018,591*
Grants paid to individuals	**223,482**	*259,579*
	785,748	*1,278,170*

An analysis of grants paid can be found below. Only grants paid over £10,000 are seperately disclosed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Grants to institutions		
Al-Awda Center for Childhood and Youth	-	12,464
Al Hoash	48,702	81,795
Al Mada Association	-	12,464
Art to Heart (Fan Min Al Qalb)	21,702	-
Association Circus Mini (Assirk Assaghir)	-	18,696
Atabet Fann	11,630	-
Baladi Center for Culture & Arts	-	15,580
Beit Byout Charitable Association	-	15,580
Bethlehem Icon Centre	-	12,464
Birzeit University	13,137	86,833
Columbia University	-	21,422
Dar Al Kalima Collage	49,735	38,546
Fragments (Shathaya) Theatre	-	15,580
Fridge Theatre Association (Thalaja Theatre)	-	12,464
Gaza Association for Culture and Art	50,673	59,477
General Union of Cultural Centers	28,155	70,788
Human Developmental Association	17,446	-
Khalil Sakakini Cultural Center	23,860	70,788
Khazaaen Association	-	15,580
Naqsh Popular Art Association	-	12,464
Oushaq Arts Center	-	13,710
Palestine Writing Association	-	18,696
Partners for Sustainable Development	11,359	-
Qandeel for Arts and Culture	33,141	54,214
Sakyia	71,343	80,894
Shubbak	35,000	-
The Palestinian Museum	12,591	49,299
Visual Arts Forum	24,460	112,081
Yaa Samar Dance Theatre	-	18,696
Grants paid to institutions < £10,000	109,332	98,016
	562,266	1,018,591
Grants to individuals	223,482	259,579
	785,748	1,278,170

12. Staff costs

	2021 £	2020 £
Wages and salaries	**2,581,893**	*2,677,657*
Social security costs	**22,534**	*10,958*
Pension costs	**282,835**	*573,349*
	2,887,262	*3,261,964*

Wages and salaries includes termination benefits totalling £489,996 (2020: £438,845).

£136,081 (2020: £412,931) relates to the accrual of statutory redundancy payments (known as Severance pay) for current staff in line with Palestine employment law. In the year, payments of £600,663 (2020: £148,847) were made to employees. Please see Note 19 for more details.

£353,915 (2020: £25,914) relates to non-contractual redundancy payments, which are ex-gratia payments. They were made to employees as a result of the restructure process in Palestine. The Trustees deemed the payments as in the best interest of the charity and were approved in the year, so there were no associated liabilities at the year end.

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

	2021 No.	2020 No.
Employees	**101**	*117*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	**-**	*1*
In the band £70,001 - £80,000	**4**	*2*
In the band £80,001 - £90,000	**-**	*2*
In the band £90,001 - £100,000	**1**	*3*

Key Management Personnel include the Trustees and the Senior Management Team (consisting of: the Director General, Al-Qattan Cultural Centre-Gaza Director, Culture & Education Programme Director, Director of Finance, Director of Administration and Public Programme Director). Total remuneration paid to Key Management Personnel amounted to £450,035 (2020: £653,633).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2020 - £NIL)*.

During the year ended 31 December 2021, expenses totalling £286 were reimbursed or paid directly to 2 Trustees *(2020 - £122 to 1 Trustee)*. In the current year, the costs related to telephone and transportation costs and in the prior year, the expenditure related to telephone costs.

14. Tangible fixed assets

	Freehold land and buildings £	Furniture, fittings and books £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2021	22,662,173	2,948,487	796,827	120,406	26,527,893
Additions	4,238,590	123,519	5,852	48,702	4,416,663
Disposals	-	(75,889)	(40,906)	-	(116,795)
Exchange differences	306,503	38,238	10,393	2,549	357,683
At 31 December 2021	27,207,266	3,034,355	772,166	171,657	31,185,444
Depreciation					
At 1 January 2021	2,382,302	1,519,643	606,989	103,870	4,612,804
Charge for the year	888,615	282,804	105,874	5,639	1,282,932
On disposals	-	(71,425)	(40,634)	-	(112,059)
Exchange differences	48,838	41,371	8,862	1,442	100,513
At 31 December 2021	3,319,755	1,772,393	681,091	110,951	5,884,190
Net book value					
At 31 December 2021	23,887,511	1,261,962	91,075	60,706	25,301,254
At 31 December 2020	*20,279,871*	*1,428,844*	*189,838*	*16,536*	*21,915,089*

Additions in the year include a freehold land and building located in Jordan that has been donated to the Charity to be held for charitable purposes. This was valued by a professional appraiser registered in Jordan at £3.4m using the depreciated replacement cost method.

There is a 6-year restriction imposed on the sale of the property by the Minister of Finance pursuant to his authorities under the Real Property Law in Jordan.

15. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 January 2021	**2,710,276**	**11,844,647**	**14,554,923**
Additions	**1,810,518**	**-**	**1,810,518**
Disposals	**(1,910,689)**	**-**	**(1,910,689)**
Revaluations	**857,750**	**(649,775)**	**207,975**
Exchange differences	**70,153**	**37,779**	**107,932**
At 31 December 2021	**3,538,008**	**11,232,651**	**14,770,659**
Net book value			
At 31 December 2021	**3,538,008**	**11,232,651**	**14,770,659**
At 31 December 2020	*2,710,276*	*11,844,647*	*14,554,923*

Other fixed asset investments

Other investments relate to a painting and artwork purchased during 2014 by the A.M. Qattan Foundation and a painting and property bequeathed to the A.M Qattan Foundation during 2017, as well as the previous offices of the A.M. Qattan Foundation, being two buildings and the adjacent land in the Masyoun area, Ramallah.

The Other Fixed Asset Investments is measured at fair value at each reporting date. Fair value is attributed on the basis of valuations carried out by valuers. The Trustees review this valuation annually with any changes in the fair value being recognised under the heading 'Gains/(losses) on investments' in the Statement of Financial Activities incorporating income and expenditure account.

16. Stocks

	2021 £	*2020 £*
Finished goods	**17,484**	*20,491*

17. Debtors

	2021 £	*2020* *£*
Due within one year		
Trade debtors	**29,315**	*(1,240)*
Other debtors	**87,941**	*89,920*
Prepayments and accrued income	**1,392,003**	*1,405,054*
	1,509,259	*1,493,734*

18. Creditors: Amounts falling due within one year

	2021 £	*2020* *£*
Trade creditors	**115,903**	*44,585*
Other taxation and social security	**16,022**	*8,564*
Other creditors	**110,545**	*80,724*
Accruals and deferred income	**1,735,680**	*2,512,464*
	1,978,150	*2,646,337*

	2021 £	*2020* *£*
Deferred income		
Deferred income at 1 January	**1,940,433**	*1,016,781*
Resources deferred during the year	**1,702,729**	*1,940,433*
Amounts released from previous periods	**(1,940,433)**	*(1,016,781)*
Deferred income at 31 December	**1,702,729**	*1,940,433*

At 31 December 2021, deferred income was recognised for income received during the financial year for projects taking place in the year ended 31 December 2022.

19. Provisions

	Severance pay £	Provident pay £	Total £
At 1 January 2021	1,831,890	926,628	2,758,518
Additions	136,081	230,348	366,429
Amounts used	(600,663)	(341,186)	(941,849)
Exchange differences	13,727	9,523	23,250
	1,381,035	825,313	2,206,348

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.

20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds					
UK branch	**10,873,632**	**6,587,480**	**(813,491)**	**(645,390)**	**16,002,231**
Restricted funds					
UK branch	**173,002**	**61,956**	**-**	**-**	**234,958**
Palestine branch	**28,747,102**	**5,138,369**	**(6,229,475)**	**853,365**	**28,509,361**
	28,920,104	**5,200,325**	**(6,229,475)**	**853,365**	**28,744,319**
Total of funds	**39,793,736**	**11,787,805**	**(7,042,966)**	**207,975**	**44,746,550**

Restricted grants and donations to the UK Branch received during the year were for specific exhibitions and their accompanying education and outreach progammes.

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 Omar Al-Qattan which were restricted towards the building of a new Cultural Centre.

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £	*Income* £	*Expenditure* £	*Gains/ (Losses)* £	*Balance at 31 December 2020* £
Unrestricted funds					
UK branch	*10,687,215*	*728,258*	*(541,841)*	-	*10,873,632*
Restricted funds					
UK branch	*96,308*	*76,493*	-	*201*	*173,002*
Palestine branch	*32,551,109*	*5,070,671*	*(7,243,218)*	*(1,631,460)*	*28,747,102*
	32,647,417	5,147,164	(7,243,218)	*(1,631,259)*	*28,920,104*
Total of funds	*43,334,632*	*5,875,422*	*(7,785,059)*	*(1,631,259)*	*39,793,736*

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	3,407,000	21,894,254	**25,301,254**
Fixed asset investments	10,087,793	4,682,866	**14,770,659**
Current assets	2,614,747	6,244,388	**8,859,135**
Creditors due within one year	(107,309)	(1,870,841)	**(1,978,150)**
Provisions for liabilities and charges	-	(2,206,348)	**(2,206,348)**
Total	16,002,231	28,744,319	**44,746,550**

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	*Restricted funds 2020 £*	*Total funds 2020 £*
Tangible fixed assets	14,132	21,900,957	*21,915,089*
Fixed asset investments	8,878,160	5,676,763	*14,554,923*
Current assets	2,083,645	6,644,934	*8,728,579*
Creditors due within one year	(102,305)	(2,544,032)	*(2,646,337)*
Provisions for liabilities and charges	-	(2,758,518)	*(2,758,518)*
Total	10,873,632	28,920,104	*39,793,736*

22. Reconciliation of net movement in funds to net cash flow from operating activities

		2021 £	2020 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)		**4,952,814**	*(3,540,896)*
Adjustments for:			
Depreciation & impairment charges	14	**1,282,932**	*1,385,120*
(Gain)/ loss on investments	15	**(207,975)**	*648,773*
Investment income	6	**(361,934)**	*(200,441)*
Loss on the sale of fixed assets	14	**4,736**	*52,362*
Decrease in stocks	16	**3,007**	*-*
Increase in debtors	17	**(15,525)**	*(1,332,835)*
(Decrease)/ increase in creditors	18	**(668,187)**	*1,491,074*
(Decrease)/ increase in provisions	19	**(552,170)**	*333,131*
Foreign exchange adjustment on fixed assets	14,15	**(365,102)**	*771,507*
Net cash provided (used in)/by operating activities		**4,072,596**	*(392,205)*

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	**7,332,392**	*7,214,354*
Total cash and cash equivalents	**7,332,392**	*7,214,354*

24. Analysis of Net Debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	**7,214,354**	**118,038**	**7,332,392**
	7,214,354	**118,038**	**7,332,392**

25. Related party transactions

The Foundation was established by the late Abdul Mohsin and Leila Al-Qattan, and by their four children, who continue to be its sole Members (in addition to one grand-child, also named Leila). Members of the Al-Qattan family also provide some of the Foundation's financial support. Members have no involvement in operational matters and only approve annual budgets based on the recommendations of the Board of Trustees, which has sole oversight over annual plans and operations. Members may also appoint Trustees (based on the recommendations of the Board's Nominations and Appointment Subcommittee) and any new Members must also be approved by the Board of Trustees. The Board of Trustees may not comprise more than two Members, who must form a minority of Trustees.

A legally and operationally separate body named the Al-Qattan Charitable Trust was settled by the late Abdul Mohsin Al-Qattan in Jersey. The Trust was endowed to support the Foundation's core expenses, as well as other similar charitable causes, from its annual income and it is governed by an independent investment board under the management of a Jersey Trust Company.

	2021	*2020*
	£	*£*
Contribution from Al Qattan Charitable Trust - Guernsey	**2,161,047**	*2,988,564*
In-kind donation from Najwa, Hani, Leena and Omar Al-Qattan	**-**	*-*
Unrestricted contribution from Omar Al-Qattan	**3,801,599**	*1,168,497*
Unrestricted donation from Al-Qattan Charitable Trust	**300,000**	*-*
Restricted contribution from Najwa Al-Qattan Family Trust - Science Studio	**69,056**	*-*
Unrestricted contribution from Najwa, Hani, Leenah and Omar Al-Qattan	**-**	*70,032*
Restricted contribution from Leenah Al-Qattan - Curatorial Unit	**171,521**	*-*
Net assets with donor restriction - Najwa Al-Qattan Family Trust - Science Studio	**-**	*69,602*
Net assets with donor restriction - Omar Al-Qattan - New Building Facilities	**330,818**	*-*
Net assets with donor restriction - Leenah Al-Qattan - New Building Facilities	**72,716**	*-*
Net assets with donor restriction - Leenah Al-Qattan - Curatorial Unit	**113,556**	*-*
	7,020,313	*4,296,695*