

Charity Registration No. 1114343

Company Registration No. 05713430 (England and Wales)

THE FRIENDS OF BIRZEIT UNIVERSITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE FRIENDS OF BIRZEIT UNIVERSITY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees (who are directors of the Limited company) Dr A Owaineh

Dr A Shalan
Dr D Baillie
Dr M Masri
Dr M Qato
Ms S Hamrouni

Secretary Mr O Shweiki

Charity number 1114343

Company number 05713430

Registered office 1 Gough Square
London
EC4A 3DE

Auditors Mercer & Hole
21 Lombard Street
London
EC3V 9AH

Bankers Unity Trust Bank plc
Nine Brindley Place
Birmingham B1 2HB

COIF Charity Deposit Fund
80 Cheapside
London
EC2V 6DZ

Solicitors Thomas Eggar
The Corn Exchange Trust
Baffins Lane
Chichester
West Sussex
PO19 1GE

| | | |
|---------------------------|------------------------------------|--------|
| Honorary positions | William Dalrymple | Patron |
| | Professor Khalil Hindi | Patron |
| | Professor David McLellan | Patron |
| | Rev Duncan MacPherson | Patron |
| | Professor Steven Rose | Patron |
| | The Rt. Hon. Lord Steel of Aikwood | Patron |
| | KT KBE DL | |
| | Juliet Stevenson | Patron |

THE FRIENDS OF BIRZEIT UNIVERSITY

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THE FRIENDS OF BIRZEIT UNIVERSITY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their report and financial statements for the year ended 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Articles of Association, the Companies Act 2006 and "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) (issued in October 2019).

Structure, governance and management

The Friends of Birzeit University (Fobzu) is a UK-based Charity. Fobzu was established in 1978, registered with the Charity Commission in 1979 and subsequently incorporated as a company limited by guarantee in 2006. Fobzu is governed in accordance with its Memorandum and Articles of Association.

Trustees, who are also directors of the company, are appointed for a 3-year term that may be renewed. When considering new trustees, desired skills and experience are assessed prior to a meeting between board members and the potential trustee. New trustees are inducted to the work and ethos of the charity. The Board of Trustees meets at least 4 times a year. Day-to-day management is delegated to the Development Director, who is accountable to and supervised by the Board. Committees and working groups are set up to address specific matters.

The major risks to which the charity is exposed, as identified by the trustees, are regularly reviewed and systems established to mitigate those risks. The major risks facing Fobzu are:

- financial performance, notably the continuity of incoming funds to sustain operations;
- availability of expertise and resources for day to day operations;
- operational performance, including bank de-risking and risks to staff when operating in a conflict zone;
- the profile and reputation of the Charity.

Objectives and activities

Fobzu's objects are to *"To promote the advancement of education of Palestinians seeking educational opportunities at higher and tertiary education institutions and/or through educational, community or cultural programmes in such ways as the Directors see fit."*

The charity is extending opportunities and providing access to education to young Palestinians at educational institutions in the West Bank and Gaza.

The principle strands of activities carried out by Fobzu for the public benefit are:

- *Academic scholarships*: supporting Palestinian students in financial need through scholarships and a hardship fund.
- *Educational exchange*: facilitating links and understanding between UK and Palestinian students and educators.
- *Educational projects*: supporting Palestinian education.
- *Advocacy and campaigning*: raising awareness in the UK amongst government officials, parliamentarians, diplomats and the general public, of the obstacles to education for Palestinians.

The Trustees have paid due regard to guidance issued by the Charity Commission regarding public benefit in deciding what activities the charity should undertake.

THE FRIENDS OF BIRZEIT UNIVERSITY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

Achievements and performance

Academic Scholarships

The scholarship programme comprises scholarships at Birzeit University, and joint Fobzu-UNRWA scholarships for Palestinian refugee students. Scholarships are provided on the basis of financial need and academic merit.

Our working relationship with UNRWA has enabled Fobzu to securely provide support to one of the most marginalized sections of Palestinian society. Since academic year 2018/19, Fobzu scholarships supported through UNRWA are enabling Palestinian refugee students in financial need to access higher education at Birzeit University in the West Bank and universities in Gaza.

Fobzu's endowments are:

- *Adela Every Scholarship*: funds a female student from villages or refugee camps.
- *Doreen Ingrams Scholarship*: funds one or more female students with special needs.
- *Peter Holliday Scholarship*: funds female students facing financial hardship.

Annual Scholarships cover tuition fees, administration and a contribution to Fobzu's running costs. Sponsoring donors are consulted on specific requirements such as: gender, place of residence, academic record, faculty or subject, special needs. Sponsors are kept informed of their student's progress through personal letters and academic reports.

A Hardship Fund is also in place to provide small grants to cover books, accommodation, transportation and housing, or subsidise students' tuition fees at Birzeit University.

In 2020/21 Fobzu worked with UNRWA to provide 19 scholarships to Palestinian refugee students, of which 12 were female and 7 male. Six students were supported at Birzeit University and 13 at universities in Gaza.

In 2020/21, Fobzu provided an additional 5 scholarships to female students at Birzeit University through its partnership with Birzeit University and Welfare Association.

Educational Exchange

In 2020/21 Fobzu continued the Education, Occupation & Liberation Programme co-hosted with the University & College Union (UCU). Before the Covid-19 pandemic, the series of lectures and seminars were usually held at the Institute of Education at University College, London, bringing together Palestinian, UK and international scholars, students and practitioners to explore the challenges facing Palestinian education and its role in creating a free and flourishing Palestine. In 2020/21, as a result of the impact of Covid-19, the programme was reduced and events were held online. Despite the challenges posed by the pandemic, this programme has continued to prove successful in furthering educational exchange, raising awareness, engaging new supporters and raising Fobzu's profile.

In 2020/21, for the second year running, Fobzu was forced to postpone the Fobzu-Oxford University Middle East Centre Writing Residency for Palestinian Scholars due to the difficulties of travel as a result of Covid-19. The Residency is dedicated to promoting Palestinian scholarship and building links between UK and Palestinian higher education by supporting an academic from a Palestinian university to complete a writing project at St Antony's College, Oxford. The first Fobzu-Oxford Writer in Residence spent six weeks in Oxford during the summer of 2019. The Residency is expected to resume in the summer of 2022.

THE FRIENDS OF BIRZEIT UNIVERSITY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

Achievements and performance (continued)

Educational Projects

Distance Education Capacity Building in Palestine Project

Running through March 2021 and with sponsorship from the Welfare Association, the Fobzu Distance Education Capacity Building ('Distance Education') project provided a four-week programme supporting staff development in online and blended learning to 30 key Palestinian faculty at four universities in the occupied Palestinian territories: Birzeit, An-Najah, Bethlehem and Al-Azhar. Delivered by the internationally leading Centre for Distance Education (CDE) at the University of London and designed with input from Palestinian stakeholders, the course covered core themes in the designing of effective teaching, learning and assessment.

The intervention proved to be a successful response to the current need for assistance to Palestinian faculty who have been conducting teaching online since the Covid-19 pandemic reached Palestine. The project has ensured sustainability by adopting a cascade-learning approach with dissemination reaching up to 160 university staff and faculty.

Advocacy and Campaigning

Fobzu continued to actively engage with other UK charities working for the rights and welfare of the Palestinian people, in order to raise further awareness about the obstacles to the right to education for Palestinians. In coalition with other charities, Fobzu has participated in meetings with the Minister of State for the Middle East and North Africa and the Shadow Minister for International Development. This has enabled Fobzu to promote Palestinian access to education among key policy makers. Fobzu has also joined public coalition initiatives to raise awareness about the threats to Palestinian rights, including public statements on the targeting of Palestinian students for arbitrary detention by Israel's military authorities, the UK government's policy on the International Criminal Court's investigation into alleged grave crimes committed in the oPt and on attacks against Palestinian civil society institutions.

Other activities

Fundraising

In 2020/21, Fobzu launched three fundraising appeals.

Fobzu continues to see greater potential for increasing income by reengaging former donors and extending outreach as well as pursuing institutional funding opportunities. Over the coming year, Fobzu aims to raise funds for 3 priority areas:

1. Fobzu scholarship programme and Hardship Fund
2. Supporting UK-Palestinian educational exchange
3. Raising awareness about the rights and needs of Palestinian students and educators

Volunteers' support

Fobzu greatly appreciates the role played by its volunteers who are committed to the aims of the Charity. Their skills, and the work performed, deliver much valued support.

Online activity

Fobzu's website is regularly updated with engaging written and audio-visual material. Our Youtube channel features videos of Fobzu events and other videos related to Fobzu's programme. Fobzu has active Facebook and Twitter accounts that continue to grow in popularity and continues to attract more subscribers to its e-newsletter 'Access Online'.

THE FRIENDS OF BIRZEIT UNIVERSITY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

Future plans

In 2022 Fobzu plans to build on a successful phase of renewal. Working with Birzeit University and UNRWA, Fobzu will continue to provide scholarships to Palestinian students in financial need.

Fobzu will also continue with its Education, Occupation & Liberation Programme, furthering exchange between Palestinian and UK academics and raising awareness in the UK higher education sector about the experience of Palestinian students and educators.

In 2022, Fobzu plans to host the second Fobzu Writer in Residence for six to eight weeks in the UK completing a writing project with access to UK academic networks and research facilities.

Fobzu will continue to work with other UK charities to advance advocacy for Palestinian access to education. We will conduct three fundraising campaigns as well as review our fundraising strategy in order to ensure the long term sustainability of the charity. Building on its achievements in 2020/21, Fobzu will continue to explore potential areas of work that will enrich its programme of charitable activities.

Financial review

Fobzu recorded a surplus of income over expenditure of £62,693 in fiscal year 2021.

This is significantly higher than the two previous years, and is largely due to a single large unrestricted donation of £60,000, from an individual supporter. Discounting the impact of this single one-off donation, Fobzu's financial position is similar to past years in terms of the level of income and expenses, and the COVID-19 pandemic has not had a significant impact on the organisation's finances or operations.

Trustees continue to focus on the need to secure funds to sustain the ongoing scholarship and non-scholarship programmes. Given economic conditions, Fobzu has been reasonably successful in raising funds whilst sustaining an adequate reserves position to cover ongoing and anticipated commitments and programmes, particularly scholarships. Nevertheless, securing further funding streams remains vital to longer-term viability and the expansion of our programmes.

Fobzu has recently held an away day attended by its Director and Board to set out a long-term strategy around fundraising and programme development. As many of our scholarship recipients are graduating over the next two years, our forward financial commitments will decline rapidly, and this gives Fobzu an opportunity to invest in new scholarships and other programme activities.

The trustees have power to invest in such assets as they see fit. Treasury activities have the objective of providing adequate liquidity for Fobzu's needs and of minimising risk in a cost-effective way.

Reserves Policy

The trustees aim for the level of reserves to be equivalent to approximately one year of management and administrative costs in unrestricted funds to provide for unforeseen circumstances, after accounting for our known scholarship commitments.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr M Darweish (Resigned 22 September 2020)

Dr A Owaineh

Dr A Shalan

Dr D Baillie

Mr M Arafat Nomura (Resigned 28 January 2022)

Dr M Masri

Dr M Qato

Dr J Harkin (Resigned 22 September 2020)

Ms S Hamrouni

THE FRIENDS OF BIRZEIT UNIVERSITY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 AUGUST 2021*

Auditor

The auditor, Mercer & Hole Chartered Accountants, deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

So far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the trustees have taken all the necessary steps that they ought to have taken as trustees in order to make them aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of trustees and signed on its behalf by:

Dr D Baillie

Chair

Dated: 31 May 2022

THE FRIENDS OF BIRZEIT UNIVERSITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees, who are also the directors of The Friends of Birzeit University for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

THE FRIENDS OF BIRZEIT UNIVERSITY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE FRIENDS OF BIRZEIT UNIVERSITY

Opinion

We have audited the financial statements of The Friends of Birzeit University (the 'charity') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

THE FRIENDS OF BIRZEIT UNIVERSITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE FRIENDS OF BIRZEIT UNIVERSITY

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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.

THE FRIENDS OF BIRZEIT UNIVERSITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE FRIENDS OF BIRZEIT UNIVERSITY

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

The prior year's financial statements were not audited and therefore in these financial statements the comparative figures are not audited.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Crook BA ACA (Senior Statutory Auditor)
for and on behalf of Mercer & Hole

31 May 2022

Chartered Accountants
Statutory Auditor

21 Lombard Street
London
EC3V 9AH

is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

THE FRIENDS OF BIRZEIT UNIVERSITY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

| | | Unrestricted funds | Restricted funds | Total Year ended 31 August 2021 | Unaudited Total Period ended 31 August 2020 |
|--|-------|-----------------------|---------------------|--|--|
| | Notes | £ | £ | £ | £ |
| <u>Income from:</u> | | | | | |
| Subscriptions and Donations | 2 | 105,859 | 38,716 | 144,575 | 18,968 |
| HMRC Gift Aid | | 5,592 | 3,118 | 8,710 | 1,671 |
| Investment income | 3 | 493 | - | 493 | 2,279 |
| Total income | | 111,944 | 41,834 | 153,778 | 22,918 |
| <u>Expenditure on:</u> | | | | | |
| Raising funds | 4 | 17,713 | - | 17,713 | 15,660 |
| Charitable activities | 5 | 38,866 | 30,700 | 69,566 | 24,695 |
| Total expenditure | | 56,579 | 30,700 | 87,279 | 40,355 |
| Net gains on investments | 11 | (3,806) | - | (3,806) | (586) |
| Net income/(expenditure) before transfers | | 51,559 | 11,134 | 62,693 | (18,023) |
| Gross transfers between funds | 17 | (3,822) | 3,822 | - | - |
| Net expenditure & net movement in funds | | 47,737 | 14,956 | 62,693 | (18,023) |
| Fund balances at 1 September 2020 | | 81,690 | 149,298 | 230,988 | 249,011 |
| Fund balances at 31 August 2021 | | 129,427 | 164,254 | 293,681 | 230,988 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE FRIENDS OF BIRZEIT UNIVERSITY

BALANCE SHEET

AS AT 31 AUGUST 2021

| | Notes | 2021 £ | £ | Unaudited 2020 £ | £ |
|---|-------|-----------|---------|------------------------|---------|
| Fixed assets | | | | | |
| Tangible fixed assets | 12 | | - | | - |
| Investments | 13 | | 136,423 | | 139,736 |
| Current assets | | | | | |
| Debtors | 15 | 15,439 | | 11,914 | |
| Cash at bank and in hand | | 147,469 | | 89,123 | |
| | | 162,908 | | 101,037 | |
| Creditors: amounts falling due within one year | 16 | (5,650) | | (9,785) | |
| Net current assets | | | 157,258 | | 91,252 |
| Total assets less current liabilities | | | 293,681 | | 230,988 |
| Net assets | | | 293,681 | | 230,988 |
| Income funds | | | | | |
| Restricted funds | 17 | 164,254 | | 149,298 | |
| Unrestricted funds | | 129,427 | | 81,690 | |
| | | 293,681 | | 230,988 | |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees on 31 May 2022

Dr A Owaineh
Treasurer

Dr D Baillie
Chair

Company Registration No. 05713430

THE FRIENDS OF BIRZEIT UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Charity information

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds comprise of general funds created by the accumulated surplus within the statement of financial activities. They are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds represent amounts received for a specific purpose, which have not yet been fully spent, on that purpose by the year end.

- Adela Every Scholarship - this fund was set up to cover the cost of a scholarship under the following criteria, 'A female student from villages or refugee camps'.
- Doreen & Leila Ingrams Scholarship - this fund was set up to cover the cost of a scholarship for, 'One or more female students with special needs'.
- Peter Holliday Scholarship - this fund was set up to cover the cost of scholarship under the following criteria, 'Female students facing financial hardship.'
- The Hardship Fund - a 'quick response' fund that contributes towards the tuition fees, living expenses, housing, IT, travel and books.
- Sarah Hayward Scholarship- this fund was set up for scholarships for undergraduate students.
- El-Gomati Scholarship- this fund was set up to cover the cost of a scholarship under the following criteria, 'for a female student in financial need'.
- Boulos and Margaret Kaibni - this fund was set up to cover the cost of a scholarship under the following criteria - 'for a female student in financial need at Birzeit University'.
- Dr Salem H. Khamis Scholarship -Supports a Palestinian student in financial need to study statistics or mathematics.
- Al-Shehabi Family Scholarship - Supports a Palestinian student in financial need.
- Leri Scholarship - Supports a student at Birzeit University in financial need.
- Dominic Simpson Memorial Scholarship - Supports a female student at Birzeit University based upon financial need and academic merit.
- W Barnaby - Supports a university scholarship for a female Palestinian student in financial need.
- Distance Education Capacity Project - targeted intervention supporting staff development in online and blended learning to Palestinian faculty at four universities in the occupied Palestinian territories.

THE FRIENDS OF BIRZEIT UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings on a time spent basis:

- Costs of raising funds comprise the costs of fundraising activities and their associated support costs.
- Expenditure on charitable activities includes the costs of scholarship, advocacy, awareness and academic activities undertaken to further the purposes of the charity and their associated support costs.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include payroll and governance costs which support the programmes. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------------|-----------------------|
| Fixtures, fittings & equipment | 5 years straight line |
|--------------------------------|-----------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE FRIENDS OF BIRZEIT UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Reporting period

The comparative period was shortened to eight months in order to align with the academic year and therefore the two periods are not comparable.

THE FRIENDS OF BIRZEIT UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

2 Subscriptions and Donations

| | Unrestricted funds £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Donations and gifts | 105,859 | 38,716 | 144,575 | 18,968 |
| For the year ended 31 August 2020 | 14,270 | 4,698 | | 18,968 |

3 Investment income

| | Unrestricted funds £ | Total 2020 £ |
|--------------------------------|----------------------------|--------------------|
| Income from listed investments | 493 | 2,279 |

4 Raising funds

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ | Total 2020 £ |
|--|------------------------------------|----------------------------------|--------------------|--------------------|
| Consultancy/contracted services | 817 | - | 817 | 406 |
| Office Costs | 789 | - | 789 | 324 |
| Bank charges | 40 | - | 40 | 68 |
| Website costs | 845 | - | 845 | 471 |
| Support costs | 14,957 | - | 14,957 | 13,963 |
| Rent and utilities costs | 265 | - | 265 | 310 |
| Travel costs | - | - | - | 118 |
| | 17,713 | - | 17,713 | 15,660 |
| For the year ended 31 August 2020 | | | | |
| Cost of Raising Funds | 15,660 | - | | 15,660 |

THE FRIENDS OF BIRZEIT UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

5 Charitable activities

| | Scholarship 2021 £ | Advocacy 2021 £ | Awareness 2021 £ | Academic 2021 £ | Total 2021 £ | Total 2020 £ |
|--|--------------------------|-----------------------|------------------------|-----------------------|--------------------|--------------------|
| Awareness programme | - | - | - | 3,000 | 3,000 | 200 |
| Consultancy/contracted services | 304 | 203 | 197 | 264 | 968 | 282 |
| Office costs | 281 | 188 | 182 | 244 | 895 | 225 |
| Bank charges | 15 | 10 | 10 | 13 | 48 | 48 |
| Website costs | 315 | 211 | 204 | 273 | 1,003 | 327 |
| Rent & utilities | 99 | 66 | 64 | 86 | 315 | 216 |
| Travel | - | - | - | - | - | 82 |
| | <u>1,014</u> | <u>678</u> | <u>657</u> | <u>3,880</u> | <u>6,229</u> | <u>1,380</u> |
| Grant funding of activities (see note 7) | 42,235 | - | - | - | 42,235 | 11,830 |
| Share of support costs (see note 8) | 5,573 | 3,727 | 3,607 | 4,835 | 17,742 | 9,685 |
| Share of governance costs (see note 8) | 3,360 | - | - | - | 3,360 | 1,800 |
| | <u>52,182</u> | <u>4,405</u> | <u>4,264</u> | <u>8,715</u> | <u>69,566</u> | <u>24,695</u> |
| Analysis by fund | | | | | | |
| Unrestricted funds | 24,482 | 4,405 | 4,264 | 5,715 | 38,866 | 21,987 |
| Restricted funds | 27,700 | - | - | 3,000 | 30,700 | 2,708 |
| | <u>52,182</u> | <u>4,405</u> | <u>4,264</u> | <u>8,715</u> | <u>69,566</u> | <u>24,695</u> |

THE FRIENDS OF BIRZEIT UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

5 Charitable activities

(Continued)

For the year ended 31 August 2020

| | Scholarship | Advocacy | Awareness | Academic | Total 2020 |
|--|-------------|----------|-----------|----------|---------------|
| | £ | £ | £ | £ | £ |
| Awareness programme | - | - | 200 | - | 200 |
| Consultancy/contracted services | 90 | 164 | 10 | 18 | 282 |
| Office costs | 72 | 131 | 8 | 14 | 225 |
| Bank charges | 15 | 28 | 2 | 3 | 48 |
| Website costs | 104 | 190 | 12 | 21 | 327 |
| Rent & utilities | 69 | 125 | 8 | 14 | 216 |
| Travel | 26 | 47 | 3 | 6 | 82 |
| | 376 | 685 | 243 | 76 | 1,380 |
| Grant funding of activities (see note 7) | 11,830 | - | - | - | 11,830 |
| Share of support costs (see note 8) | 3,085 | 5,634 | 351 | 615 | 9,685 |
| Share of governance costs (see note 8) | 1,800 | - | - | - | 1,800 |
| | 17,091 | 6,319 | 594 | 691 | 24,695 |
| Analysis by fund | | | | | |
| Unrestricted funds | 14,583 | 6,319 | 394 | 691 | 21,987 |
| Restricted funds | 2,508 | - | 200 | - | 2,708 |
| | 17,091 | 6,319 | 594 | 691 | 24,695 |

6 Description of charitable activities

Scholarship

Working with UNRWA and Birzeit University, the Fobzu scholarship programme supports Palestinian students in financial need at universities in the West Bank and Gaza.

Advocacy

Fobzu's work in Parliament and civil society, independently and in coalition with other UK charities and NGOs to promote Palestinian access to education.

Awareness

The Education, Occupation & Liberation events programme and other activities to raise awareness within the UK education sector and general public about the experience of Palestinian students and educators, the barriers they face to education and how they seek to overcome them.

Academic

Support for Palestinian academics and institutions of higher education through the Fobzu-Oxford Writing Residency for Palestinian Scholars and other work to promote Palestinian scholarship and educational exchange.

THE FRIENDS OF BIRZEIT UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

7 Grants payable

Scholarship

Grants totalling £42,235 (2020: £11,830) were awarded to 20 (2019: 20) individuals.

8 Support costs

| | Support costs £ | Governance costs £ | 2021 £ | 2020 £ |
|-----------------------|--------------------|-----------------------|---------------|---------------|
| Staff costs | 32,699 | - | 32,699 | 23,648 |
| Audit fees | - | 3,360 | 3,360 | 1,800 |
| | <u>32,699</u> | <u>3,360</u> | <u>36,059</u> | <u>25,448</u> |
| Analysed between | | | | |
| Fundraising | 14,957 | - | 14,957 | 13,963 |
| Charitable activities | 17,742 | 3,360 | 21,102 | 11,485 |
| | <u>32,699</u> | <u>3,360</u> | <u>36,059</u> | <u>25,448</u> |

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

No trustee was reimbursed during the year (2020: None).

10 Employees

Number of employees

The average monthly number employees during the year was:

| | 2021 Number | 2020 Number |
|-----------|----------------|----------------|
| Employees | <u>1</u> | <u>1</u> |

Employment costs

| | 2021 £ | 2020 £ |
|---------------------|---------------|---------------|
| Wages and salaries | 31,439 | 22,765 |
| Other pension costs | 1,260 | 883 |
| | <u>32,699</u> | <u>23,648</u> |

There were no employees whose annual remuneration was £60,000 or more.

THE FRIENDS OF BIRZEIT UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

11 Net gains/(losses) on investments

| | Unrestricted funds | Unrestricted funds |
|----------------------------|--------------------|--------------------|
| | 2021 | 2020 |
| | £ | £ |
| Revaluation of investments | (3,806) | (586) |

12 Tangible fixed assets

| | Fixtures, fittings & equipment |
|------------------------|--------------------------------|
| | £ |
| Cost | |
| At 1 September 2020 | 200 |
| At 31 August 2021 | 200 |
| Depreciation | |
| At 1 September 2020 | 200 |
| At 31 August 2021 | 200 |
| Carrying amount | |
| At 31 August 2021 | - |
| At 31 August 2020 | - |

13 Fixed asset investments

| | Listed investments | Cash in portfolio | Total |
|--------------------------|--------------------|-------------------|---------|
| | £ | | £ |
| Cost or valuation | | | |
| At 1 September 2020 | 138,878 | 858 | 139,736 |
| Valuation changes | (3,806) | 493 | (3,313) |
| At 31 August 2021 | 135,072 | 1,351 | 136,423 |
| Carrying amount | | | |
| At 31 August 2021 | 135,072 | 1,351 | 136,423 |
| At 31 August 2020 | 138,878 | 858 | 139,736 |

THE FRIENDS OF BIRZEIT UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

| | | | |
|-----------|---|-------------|-------------|
| 14 | Financial instruments | 2021 | 2020 |
| | | £ | £ |
| | Carrying amount of financial assets | | |
| | Instruments measured at fair value through profit or loss | 135,072 | 138,878 |
| | | <u></u> | <u></u> |
| 15 | Debtors | 2021 | 2020 |
| | | £ | £ |
| | Amounts falling due within one year: | | |
| | Other debtors | 15,439 | 11,914 |
| | | <u></u> | <u></u> |
| 16 | Creditors: amounts falling due within one year | 2021 | 2020 |
| | | £ | £ |
| | Other taxation and social security | - | 2,276 |
| | Other creditors | 2,290 | 2,349 |
| | Accruals and deferred income | 3,360 | 5,160 |
| | | <u></u> | <u></u> |
| | | 5,650 | 9,785 |
| | | <u></u> | <u></u> |

THE FRIENDS OF BIRZEIT UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Current year

| | Balance at 1 September 2020 | Income | Movement in funds | | | Balance at 31 August 2021 |
|---|--------------------------------|--------|-------------------|--------------|-----------|------------------------------|
| | £ | £ | Other expenditure | Scholarships | Transfers | £ |
| Adela Every Scholarship | 34,318 | - | - | - | - | 34,318 |
| Doreen & Leila Ingrams Scholarship | 10,854 | 2,840 | - | (1,892) | - | 11,802 |
| Peter Holliday Scholarship | 34,423 | - | - | - | - | 34,423 |
| Hardship Fund | 9,821 | 1,730 | - | (4,352) | - | 7,199 |
| Dr Salem H. Khamis Scholarship | 144 | 1,950 | - | (4,866) | 2,772 | - |
| Sarah Hayward Scholarship | 24,164 | - | - | (6,271) | - | 17,893 |
| El-Gomati Scholarship | 11,074 | 12,500 | - | (1,404) | - | 22,170 |
| Boulos and Margaret Kaibni Al-Shehabi Family Scholarship | 19,918 | - | - | (3,623) | - | 16,295 |
| Leri Scholarship | 2,782 | 1,880 | - | (1,647) | - | 3,015 |
| Awareness programme | 2,000 | 2,000 | - | (2,065) | - | 1,935 |
| Distance Education Capacity Building | (200) | - | - | - | 200 | - |
| Dominic Simpson Memorial Scholarship | - | 2,150 | (3,000) | - | 850 | - |
| W Barnaby | - | 15,000 | - | - | - | 15,000 |
| | - | 1,784 | - | (1,580) | - | 204 |
| | 149,298 | 41,834 | (3,000) | (27,700) | 3,822 | 164,254 |

In the year, £3,822 was transferred from unrestricted to restricted funds. This relates to excess costs for restricted projects reimbursed from unrestricted reserves.

THE FRIENDS OF BIRZEIT UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

17 Restricted funds

(Continued)

Comparative year

| | Balance at 1 January 2020 | Income | Movement in funds | | | Balance at 31 August 2020 |
|---|------------------------------|--------|-------------------|--------------|-----------|------------------------------|
| | £ | £ | Other expenditure | Scholarships | Transfers | £ |
| | | | £ | £ | £ | £ |
| Adela Every Scholarship | 34,318 | - | - | - | - | 34,318 |
| Doreen & Leila Ingrams Scholarship | 10,054 | 800 | - | - | - | 10,854 |
| Peter Holliday Scholarship | 34,423 | - | - | - | - | 34,423 |
| Hardship Fund | 8,741 | 1,080 | - | - | - | 9,821 |
| Dr Salem H. Khamis Scholarship | 2,580 | 72 | - | (2,508) | - | 144 |
| Sarah Hayward Scholarship | 24,164 | - | - | - | - | 24,164 |
| El-Gomati Scholarship | 11,074 | - | - | - | - | 11,074 |
| Boulos and Margaret Kaibni Al-Shehabi Family Scholarship | 19,172 | 746 | - | - | - | 19,918 |
| Leri Scholarship | 2,782 | - | - | - | - | 2,782 |
| Awareness programme | - | 2,000 | - | - | - | 2,000 |
| | - | - | (200) | - | - | 200 |
| | 147,308 | 4,698 | (200) | (2,508) | - | 149,298 |

18 Analysis of net assets between funds

| | Unrestricted 2021 | Restricted 2021 | Total 2021 | Unrestricted 2020 | Restricted 2020 | Total 2020 |
|---|----------------------|--------------------|---------------|----------------------|--------------------|---------------|
| | £ | £ | £ | £ | £ | £ |
| Fund balances at 31 August 2021 are represented by: | | | | | | |
| Investments | 81,690 | 54,733 | 136,423 | 81,690 | 58,046 | 139,736 |
| Current assets/ (liabilities) | 47,737 | 109,521 | 157,258 | - | 91,252 | 91,252 |
| | 129,427 | 164,254 | 293,681 | 81,690 | 149,298 | 230,988 |

THE FRIENDS OF BIRZEIT UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2021*

19 Control

The Trustees have overall control of the activity.

20 Related party transactions

Unrestricted donations totalling £5,550 (2020: £nil) were received from trustees in the year. There were no other related party transactions.