

PALESTINE ASSOCIATION FOR CHILDRENS ENCOURAGEMENT OF SPORTS

England & Wales · Charity number 1117085

Details

Other names	PALESTINE ASSOCIATION FOR CHILDRENS EXCELLENCE IN SPORTS, PACES
Status	Registered
Legal form	Charitable company
Company number	05840150
Registered	2006-11-30
Register	View on the Charity Commission register

Contact

Address C/o Carter Lemon Camerons Llp
3rd Floor
20 King Street
London
EC2V 8EG

Phone 020 7406 1000

Email info@pacescharity.org

Website www.pacescharity.org

Activities

Objects: 3.1.1. TO PROVIDE SPORTING FACILITIES AND PLAYING FIELDS IN THE INTERESTS OF SOCIAL WELFARE FOR PALESTINIAN CHILDREN AND YOUNG PEOPLE LIVING ANYWHERE IN THE WORLD IN ORDER TO IMPROVE THE CHILDREN'S CONDITIONS OF LIFE AND TO ADVANCE THEIR EDUCATION;3.1.2 TO PROMOTE HEALTHY RECREATION TO PALESTINIAN CHILDREN AND YOUNG PEOPLE LIVING ANYWHERE IN THE WORLD THROUGH THE PROVISION OF SPORTING AND COACHING FACILITIES; AND3.1.3 TO PROMOTE THE HEALTH AND EDUCATION OF PALESTINIAN CHILDREN AND YOUNG PEOPLE LIVING ANYWHERE IN THE WORLD.

Activities: The Charity's current activities are the provision of sports programmes to Palestinian boys and girls. These activities include after-school programmes including coaching in basketball and football and provision of sports kits and materials.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Human Resources, Provides Services, Acts As An Umbrella Or Resource Body
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Amateur Sport, Environment/conservation/heritage
- **Who:** Children/young People

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL AND OVERSEAS.
- Jordan
- Lebanon
- Occupied Palestinian Territories

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,842,256	£1,913,291	£477,576	26
2023-12-31	£2,235,310	£2,332,053	£548,611	30
2022-12-31	£1,954,178	£2,026,032	£658,757	26
2021-12-31	£2,183,277	£2,146,525	£715,403	24
2020-12-31	£2,825,892	£2,662,823	£678,651	36

Trustees

Name	Role	Appointed
HANI ABDUL MUHSEN AL QATTAN	Chair	
Ghassan Nuqul		2017-06-05
Haya Mohammed Qadoumi		2018-05-22
Helen Al Uzaizi		2017-06-05
Mohammed Ahmad Musa Azab		2022-10-10

PALESTINE ASSOCIATION FOR CHILDRENS ENCOURAGEMENT OF SPORTS

England & Wales - Charity number 1117085

Accounts



**Palestine Association for Children's Encouragement of Sports
(A company limited by guarantee)**

**Charity No. 1117085
Company No. 05840150**

**TRUSTEES ANNUAL REPORT &
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
For the Year Ended 31 December 2024**

PACES
Palestine Association for Children's Encouragement of Sports
Year ended 31 December 2024
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PACES
Palestine Association for Children's Encouragement of Sports
Trustees' Annual Report
31 December 2024

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2024.

In this report we will refer to the Palestine Association for Children's Encouragement of Sports as "PACES".

Reference and administrative details

Company Number: 05840150

Charity Number: 1117085

Registered Office: 3rd Floor
20 King Street
London
EC2V 8EG

Directors and Trustees: H A M Al Qattan
G Nuqul
H M Qadoumi
H Al Uzaizi
M A M Azab

Secretary: CLC Secretarial Services Limited

Principal Bankers: Arab Bank Plc
Mayfair
London
W1K 1RB

Arab Bank
Al Balad Branch
PO Box 1481
Ramallah
Palestine

Auditors: Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Solicitors: Carter Lemon Camerons LLP
3rd Floor
20 King Street
London
RC2V 8EG

PACES
Palestine Association for Children's Encouragement of Sports
Trustees' Annual Report (continued)
31 December 2024

The Trustees are pleased to present their report together with the audited financial statements for the year ended 31 December 2024.

The financial statements comply with the Charities Act 2011; the Companies Act 2006; the Memorandum and Articles of Association and are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 Charities SORP).

Objectives and activities and how our activities deliver public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006, to have due regard to the Charity Commission's general guidance on public benefit.

The objectives of the charity are:

- To enhance children's life skills and promote positive development through PACES' sports for development program
- To enhance employability skills for young female and male coaches
- To enhance the capacity of Local Partners to contribute to the development of local communities
- To provide equal opportunities for both genders in sports

Strategies employed to achieve objectives

Sports for development programs address many social issues including gender equity, social inclusion, health promotion, community cohesion, and youth empowerment.

PACES' after-school program offers safe spaces for children aged 6-16 in marginalized areas and Palestinian refugee camps in Palestine, Jordan, and Lebanon, fostering confidence and comfort in sports, especially for girls. Children are grouped into groups of 20 based on age and gender upon enrollment. Each group receives two weekly 2-hour sports training sessions where life skills are integrated throughout the program duration. Uniforms and sports equipment are also provided free of charge. Additionally, children engage in other learning through play activities such as fun days, tournaments, and awareness sessions, which further enhance their sports skills and life skills. Equal opportunities are offered for both boys and girls.

Young male and female coaches and assistant coaches in targeted communities are offered part-time employment opportunities to train the children. Upon their enrolment, they are provided with needed technical and life skills training to deliver sessions to children effectively. One coach and one assistant coach are assigned for each children group who deliver 8 training sessions per month. Coaches receive monthly stipends for delivering the sessions, which helps to improve their socio-economic status.

The program is delivered in partnership with PACES local partners represented by local community centers and sports clubs. Local partners are also trained to help with the program outreach and to enhance their capacities to enable them to deliver similar sustainable developmental programs. PACES also engages the community and volunteers to enhance the delivery of activities and maximize their impact. Additionally, PACES continuously seeks partnerships with other local and international NGOs and institutions which align with its objectives and priorities.

PACES also adopts a comprehensive monitoring and evaluation (M&E) system based on predefined indicators to measure the outcomes and outputs of the program interventions. The primary goal is to identify any discrepancies between planned objectives and actual implementation, ensuring alignment with the program's action plan. Monitoring is an ongoing process throughout the program cycle, allowing the team

PACES
Palestine Association for Children's Encouragement of Sports
Trustees' Annual Report (continued)
31 December 2024

to track progress, address challenges, and make necessary adjustments in real time. Evaluation activities take place at both the beginning and end of the program to assess the efficiency and impact of PACES interventions in relation to its core objectives.

Regarding fundraising and sustainability, PACES secures core funding from institutional partners and individual donors, ensuring the continuity of its programs. All individual donations directly support program implementation. Additionally, PACES accepts online donations from campaigns which are strategically aligned with the program as an additional funding stream.

Activities and achievements

In 2024, PACES resumed its Sports for Development program in Palestine, Jordan and Lebanon as per the recommendations and priorities established in 2023. These priorities included covering West Bank and East Jerusalem in Palestine only, expanding beneficiary outreach in Lebanon, and downsizing the program in Jordan to reallocate resources towards sustaining and growing operations in Palestine and Lebanon.

The PACES program reached 3,400 boys and girls aged 6-16 years, 340 coaches and assistant coaches, and 82 local partners across 27 cities in Palestine, Jordan and Lebanon. Due to the ongoing instability in the region, the program launched in June instead of March, and concluded in November in Palestine and Jordan, and concluded in September in Lebanon due to the security situation. Following is a summary of the program beneficiaries and outreach:

Number of Beneficiaries			
	Palestine	Jordan	Lebanon
Number of Children	1,720	760	920
Number of Coaches	172	76	92
Number of Local Partners	43	18	21
Geographic Outreach			
	Palestine	Jordan	Lebanon
Cities or Governorates	Bethlehem, Hebron, Ramallah, East Jerusalem, Jericho, Tulkarem, Nablus, Qalqilya, Jenin, Tubas, Salfet	Amman, Zarqa, Madaba, Balqa, Jerash, Irbid, Mafraq	Tripoli, Beirut, Dbayye, Sabtieh, Bas Elias, Saadnayel, Baalback, Saida, Tyre
Palestinian Refugee Camps	Fawwar, Jalazon, Amaari, Qalandia, Aqbet Jaber, Balata, Al Ein, Jenin, and Al Fara'a Refugee Camps	Ghazet Hashim, Hitteen, Baqaa, Madaba, Zarqa, Souf, Sukhneh, Al Mahatta Azmi Al Mufti Refugee Camps	Beddawi, Nahr el Bared, Mar Elias, Chatila, Dbayye, Saadnayel, Burj el Chemali, Rachidieh, Al Buss Refugee Camps

Like every year, children enrolled in the program received 8 sports training sessions in football or basketball every month during the program implementation period, through which life skills and awareness sessions were integrated. Children also participated in other activities including tournaments and fun days to nurture and develop their physical, behavioral, and social abilities. During the cycle, more than 7,000 sports training sessions, 33 football and basketball tournaments and 4 fun days were delivered.

PACES coaches and assistant coaches enrolled in the program delivered the sports training sessions to children and received necessary capacity-building training to implement the activities and improve their skills. The coaches also received monthly rewards for their contribution advancing their socio-economic status. Additionally, local partners received capacity-building training to support the program

PACES
Palestine Association for Children's Encouragement of Sports
Trustees' Annual Report (continued)
31 December 2024

implementation and strengthen their ability to similar initiatives within their communities. A total of 40 capacity building workshops were delivered.

PACES also extended its support to the community in Gaza through the Gaza Relief Program initiatives, as a response to the challenges faced during the ongoing war. The initiatives included providing financial support to coaches and assistant in Gaza who continued to support PACES' initiatives and fulfill their assigned responsibilities. Additionally, a partnership with SOS Children's Villages Palestine was launched in May 2024 to support the hosting of 68 children from Rafah, Gaza, along with their caretakers at SOS Children's Village in Bethlehem, for a one-year duration. Among them, 46 children were enrolled in PACES' program in Gaza. Through the partnership, PACES covered alternative care services and academic support to all the children. As a further contribution, many of the children, who were previously enrolled in the program in Gaza, joined the sports program in Bethlehem ensuring continuity in their development and well-being.

Financial review

PACES raised approximately £1.813m (2023: £2.235m) in donations from individuals and organisations. Expenditure was £1.913m (2023: £2.332m) which is in line with the trustees' expectations. The charity made a deficit of £99k (2023: £110k), which was not expected, as many donations originally budgeted for were delayed. Donations were raised mainly by direct contact of the trustees with potential donors.

The charity had no complaints from donors in relation to its fundraising methods in the year.

The trustees are extremely grateful to all donors for their generous contributions.

Investment Policy

The charity holds an investment in Amman Football Club, which manages a high-performance football training academy.

PACES felt the need for this investment to nurture talent of PACES children and in an effort to create professional opportunities for talented children enrolled in the PACES program. Through this partnership with AFC, nominated boys and girls from PACES receive specialised training at AFC, to further develop their skills and get the opportunity to participate in international tournaments by official football associations.

Risk management

The trustees have assessed the major risks to which the charity is exposed. In particular, those relating to the specific operational areas of the charity and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks. The trustees regularly review these policies to ensure they are both up to date and effective.

Reserves policy

The charity holds total reserves of £449k at year end (2023: 549K), of which £62k are free reserves, being total reserves less tangible fixed assets and investments. The trustees have established that the level of free reserves PACES ought to have to support the overall general running of the charity should be equal to at least three months' worth of fixed expenditure which is estimated to be £230,000. The trustees consider this policy to be adequate and it is the charity's intention to build on this reserve to support its charitable activities in the long term.

Given the situation in the Middle East, the Board acknowledges that the free reserves do not currently meet the target. They are aware of the charity's intention to gradually build up the reserves to support its long-term charitable activities. The Board also understands that Hani Qattan is committed to support the reserve deficit if required.

Plans for future periods

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Trustees' Annual Report (continued)
31 December 2024

The ongoing regional instability, particularly in high-risk countries such as Palestine and Lebanon, has significantly impacted our fundraising efforts, beneficiary outreach, and community safety. As a result, a decision has been made to pause operations in Palestine and Lebanon in 2025. This includes a downsizing of staff, with only essential positions retained:

- Lebanon: The Country Manager position
- Palestine: The Country Manager and Regional Finance & Administration Manager positions

These key roles will support PACES' operation on a regional level, in addition to managing ongoing partnerships, such as the SOS Children's Villages Palestine partnership to provide essential support for children from Gaza. These roles will also support different initiatives and help rebuild operations should circumstances improve.

All other staff will be phased out during the 1st quarter of the year, depending on their role and involvement in the handover process.

The Sports for Development program will continue in Jordan in 2025, serving the same number of beneficiaries as in 2024. The program will commence in March with capacity building workshops for coaches and assistant coaches, followed by the resumption of sports training sessions and activities for children in April, after the month of Ramadan, for a duration of 8 months. The program will include 760 children, 76 coaches, and 18 local partners.

Structure, Governance and Management

Governing document

PACES is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 June 2006 (last amended on 7 April 2007) and is registered as a charity with the Charity Commission. New membership is open to individuals and organisations interested in promoting the objects of the charity provided their application is approved by the Board and the register of members is then duly signed. There is currently one member who agrees to pay up to £10 towards the costs of dissolution in the event of the charity winding up.

Appointment of trustees, induction and training

New trustees are appointed by existing trustees. One third (or the number nearest one third) of the trustees must retire at each AGM, those longest in office retiring first and the choice between any of equal service being made by drawing lots. A retiring trustee who remains qualified may be reappointed. The trustees have learned the duties as trustees through information obtained from external consultants and the charity commission and are responsible for the induction and training of new trustees.

Governance

The board of trustees administers the charity. The board meets quarterly but there are also regular email and telephone discussions by the board of trustees on an informal basis.

The day-to-day operations of the charity are managed by one of the trustees; Haya Qadoumi. Haya often travels to Palestine, Jordan and Lebanon to arrange charitable activities and develop working relationships with organisations on behalf of the charity, and to meet with individuals and corporations in order to raise funds for the charity.

In addition to this H A M Al Qattan develops working relationships with organisations on behalf of the charity and meets with individuals and corporations to raise funds for the charity.

Statement of Trustees' Responsibilities

PACES
Palestine Association for Children's Encouragement of Sports
Trustees' Annual Report (continued)
31 December 2024

The trustees (who are also directors of PACES for the purposes 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 charitable company and of the incoming resources and application of resources including the income and expenditure of the charitable company for that period. In preparing these financial statements the trustees are required to:

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

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

In so far as the trustees are aware:

- a) there is no relevant audit information of which the Charitable company's auditors are unaware; and
- b) the trustees have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Trustees



.....
H A M AL Qattan
Trustee

28 July 2025

.....
Date

PACES

Palestine Association for Children's Encouragement of Sports

Independent Auditors' Report to the Members of

PACES

Opinion

We have audited the financial statements of Palestine Association for Children's Encouragement of Sports ('the company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2024 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 properly 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 charitable company 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 related 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.

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, except to the extent otherwise explicitly stated in our report, 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 there is 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.

PACES

Palestine Association for Children's Encouragement of Sports

Independent Auditors' Report to the Members of

PACES

We have nothing to report in this regard.

Opinions 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' annual report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, 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.

Auditor's Responsibilities for the audit of the financial statements

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

PACES

Palestine Association for Children's Encouragement of Sports

Independent Auditors' Report to the Members of

PACES

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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 objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

PACES

Palestine Association for Children's Encouragement of Sports Independent Auditors' Report to the Members of PACES

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

.....
Samir Chandoo (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: 4 August 2025

6th Floor
9 Appold Street
London
EC2A 2AP

PACES
Palestine Association for Children's Encouragement of Sports
Statement of Financial Activities
For the year ended 31 December 2024

	Note	Unrestricted funds year ended 2024 £	Restricted funds year ended 2024 £	Total funds year ended 2024 £	Unrestricted funds year ended 2023 £	Restricted funds year ended 2023 £	Total funds year ended 2023 £
Income:							
Donations & gifts	2	1,842,256	-	1,842,256	2,235,310	-	2,235,310
Total Income		<u>1,842,256</u>	<u>-</u>	<u>1,842,256</u>	<u>2,235,310</u>	<u>-</u>	<u>2,235,310</u>
Expenditure on charitable activities:							
Cost of the operation of the charity		1,913,291	-	1,913,291	2,332,053	-	2,332,053
Total Expenditure	3	<u>1,913,291</u>	<u>-</u>	<u>1,913,291</u>	<u>2,332,053</u>	<u>-</u>	<u>2,332,053</u>
Net gains/(losses) on investments	6	-	-	-	(13,403)	-	(13,403)
Net Income/(expenditure)		(71,035)	-	(71,035)	(110,146)	-	(110,146)
Reconciliation of Funds							
Total funds brought forward at 1 January 2024		548,611	-	548,611	658,757	-	658,757
Total funds carried forward at 31 December 2024		<u><u>477,576</u></u>	<u><u>-</u></u>	<u><u>477,576</u></u>	<u><u>548,611</u></u>	<u><u>-</u></u>	<u><u>548,611</u></u>

The notes on pages 13 to 18 form part of these financial statements.

There were no recognised gains or losses other than those recognised above.

PACES
Palestine Association for Children's Encouragement of Sports
Balance Sheet as at 31 December 2024

	Note	2024 £	2023 £
Fixed Assets			
Tangible fixed assets	5	11,267	17,573
Investments	6	<u>375,235</u>	<u>375,235</u>
		386,502	392,808
Current Assets			
Debtors	7	146,238	57,836
Cash at bank and in hand		<u>164,189</u>	<u>156,488</u>
		310,427	214,324
Creditors: Amounts falling due within one year	8	<u>(219,353)</u>	<u>(58,521)</u>
Net Current Assets / (Liabilities)		<u>91,074</u>	<u>155,803</u>
Net Assets		<u><u>477,576</u></u>	<u><u>548,611</u></u>
Reserves			
Unrestricted funds	9	<u>477,576</u>	<u>548,611</u>
		<u><u>477,576</u></u>	<u><u>548,611</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 28 July 2025 and signed on its behalf by:



.....
H A M Al Qattan
Trustee

The notes on pages 13 to 18 form part of these financial statements.

Company No. 05840150

PACES

Palestine Association for Children's Encouragement of Sports Statement of Cash Flows as at 31 December 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash (used in) operating activities	<u>10,644</u>	<u>(102,963)</u>
Cash flows from investing activities		
Purchase of fixed assets	(2,943)	(20,571)
Net cash used in investing activities	<u>(2,943)</u>	<u>(20,571)</u>
	7,701	(123,534)
Cash and cash equivalents at the beginning of the reporting period	<u>156,488</u>	<u>280,022</u>
Cash and cash equivalents at the end of the reporting period	<u>164,189</u>	<u>156,488</u>

Reconciliation of net expenditure to net cash flow from operating activities

	2024 £	2023 £
Net income for the reporting period	(71,035)	(110,146)
Adjustments for:		
Investment (gains)/losses	-	13,403
Depreciation charges	9,249	24,582
Decrease/(Increase) in debtors	(88,402)	17,511
(Increase)/decrease in stock	-	-
Increase/(Decrease) in creditors	160,832	(48,313)
Net cash provided by operating activities	<u>10,644</u>	<u>(102,963)</u>

Analysis of Cash and Cash Equivalents

	2024 £	2023 £
Cash in hand	164,189	156,488
Total cash and cash equivalents	<u>164,189</u>	<u>156,488</u>

Analysis of Changes in Net Debt

	At 01/01/2024	Cash flows	At 31/12/2024
Cash	156,488	7,701	<u>164,189</u>

PACES

Palestine Association for Children's Encouragement of Sports

Notes to the Financial Statements

For the year ended 31 December 2024

1 Accounting Policies

Charity information

Palestine Association for Children's Encouragement of Sports is a company limited by guarantee incorporated and registered in England and Wales. The registered office is 3rd Floor, 20 King Street, London, RC2V 8EG.

1.1 Basis of preparation

The financial statements are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The charitable company is a public benefit entity for the purpose of FRS102 and therefore the charity's financial statements have been prepared in accordance with 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 (the FRS 102 Charities SORP) including Update Bulletin 2, the Companies Act 2006 and the Charities Act 2011.

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

The principal accounting policies, which are applied consistently, are set out below.

1.2 Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charitable company's forecasts and projections and have taken account of pressures on donation income. The founder of the charity H A M Al Qattan has confirmed he intends to continue to provide on-going support to the charity in the form of donations should it be necessary to enable the charity to meet its working capital commitments, and the level of support is expected to be in line with transactions in recent years as disclosed in note 10. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Income

Voluntary income and donations are accounted for when receivable.

Gifts in-kind are recognised when an equivalent amount has been expended. They are valued at the amount the Charity would have to pay in the open market for an equivalent item.

1.4 Expenditure

All expenses are accounted for on an accruals basis. Costs are allocated directly to the appropriate activity.

Expenditure incurred in connection with the specific objects of the charity is included under the heading charitable activities.

1.5 Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction, the average rate being used as an approximation to this rate. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the statement of financial activities.

PACES

Palestine Association for Children's Encouragement of Sports Notes to the Financial Statements For the year ended 31 December 2024

1 Accounting Policies (continued)

1.6 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.

1.7 Fixed assets and depreciation

All fixed assets with a value over £500 are capitalised at cost, being their purchase cost together with an incidental expenses at acquisition, and depreciated to their estimated residual value over their estimated useful economic lives as follows:

Computer equipment	3 years straight line basis.
Fixtures & fittings	4 years straight line basis.
Leasehold improvements	4 years straight line basis.

1.8 Fixed assets investments

Investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.90 Financial instruments

The company 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 charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

Basic financial liabilities

Basic financial liabilities, including trade and other payables 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.

1.10 Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

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

PACES
Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2024

2 Income - Donations & gifts

During the year the Charity received donations of £1,690,033 (2023 - £2,235,310). £1,619,170 (2023 - £2,191,606) was received from individuals while £70,863 (2023 - £43,704) was received from organisations.

3 Total Resources Expended

	Staff Costs 2024 £	Other Costs 2024 £	Total 2024 £	Staff Costs 2023 £	Other Costs 2023 £	Total 2023 £
Charitable Activities:						
Overseas Staff cost- project delivery	1,004,609	-	1,004,609	1,136,188	-	1,136,188
UK staff costs	148,058	-	148,058	176,358	-	176,358
Activities, sport kits and equipment	-	9,027	9,027	-	55,804	55,804
Travel, subsistence & accommodation	-	35,370	35,370	-	193,137	193,137
Other project costs	-	531,896	531,896	-	527,577	527,577
Accountancy	-	11,227	11,227	-	10,147	10,147
Office costs, postage, printing & stationery	-	11,403	11,403	-	84,302	84,302
Telephone	-	8,951	8,951	-	7,995	7,995
Bank charges and interest	-	10,341	10,341	-	11,239	11,239
Training	-	-	-	-	-	-
(Profit) / loss on foreign exchange	-	14,164	14,164	-	8,904	8,904
Legal costs of running the charity	-	45,676	45,676	-	59,055	59,055
Depreciation (note 5)	-	9,249	9,249	-	24,582	24,582
AFC fees	-	22,241	22,241	-	17,010	17,010
Audit costs	-	51,079	51,079	-	19,755	19,755
	<u>1,152,667</u>	<u>760,624</u>	<u>1,913,291</u>	<u>1,312,546</u>	<u>1,019,507</u>	<u>2,332,053</u>

The average number of staff employed during the year was 26 (2023 - 30).

Staff costs	2024	2023
<i>Staff on UK payroll</i>		
Wages and salaries	130,320	155,840
Social security costs	17,738	20,518
	<u>148,058</u>	<u>176,358</u>
Overseas staff costs	<u>1,004,609</u>	<u>1,136,188</u>
	<u>1,152,667</u>	<u>1,312,546</u>

During the year there was one employee whose remuneration exceeded £60,000:-

	2024	2023
£60,000 - £69,999	1	-
£130,000 - £139,999	1	-
£150,000 - £159,999	-	1

No trustees were reimbursed for expenses in 2024 or 2023.

The Charity considers its key management personnel to be its trustees. The total amount payable to key management personnel was £153,097 (2023: £176,359).

Transactions with trustees and other related parties are disclosed in note 10.

PACES
Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2024

4	Auditor's remuneration		2024	2023	
			£	£	
	Audit		18,954	14,900	
	Other services		10,746	7,000	
			<u>29,700</u>	<u>21,900</u>	
5	Tangible fixed assets				
		Computer Equipment	Leasehold Improvements	Fixtures & Fittings	Total £
	Cost				
	At 1st January 2024	48,522	43,048	27,220	118,790
	Additions	2,356	-	587	2,943
	Disposals	(1,491)	-	-	(1,491)
	At 31st December 2024	<u>49,387</u>	<u>43,048</u>	<u>27,807</u>	<u>120,242</u>
	At 1st January 2024	36,974	43,048	21,195	101,217
	Charge for the year	6,172		3,077	9,249
	On Disposals	(1,491)			(1,491)
	At 31st December 2024	<u>41,655</u>	<u>43,048</u>	<u>24,272</u>	<u>108,975</u>
	Net Book Value				
	At 31st December 2024	<u>7,732</u>	-	<u>3,535</u>	<u>11,267</u>
	At 31st December 2023	<u>11,548</u>	-	<u>6,025</u>	<u>17,573</u>
6	Program Related Investments		2024	2023	
			£	£	
	Brought forward		375,235	388,638	
	Foreign exchange (losses)/gains		-	(13,403)	
			<u>375,235</u>	<u>375,235</u>	

PACES

Palestine Association for Children's Encouragement of Sports Notes to the Financial Statements For the year ended 31 December 2024

7 Debtors	2024	2023
	£	£
Gift aid	-	48,205
Prepayments	5,468	9,264
Other debtors	140,770	367
	<u>146,238</u>	<u>57,836</u>

8 Creditors: amounts falling due within one year	2024	2023
	£	£
Other Creditors	33,695	-
Accruals	101,146	44,595
Taxation and social security creditors	617	5,656
Grants payable	83,895	8,270
	<u>219,353</u>	<u>58,521</u>

PACES
Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2024

9 Unrestricted Funds

	1 January		Expenditure (incl. investment £	31 December
	2024 £	Income £		2024 £
General Fund	548,611	1,842,256	(1,913,291)	477,576
Total Unrestricted Funds	<u>548,611</u>	<u>1,842,256</u>	<u>(1,913,291)</u>	<u>477,576</u>

	1 January		Expenditure £	31 December
	2023 £	Income £		2023 £
General Fund	658,757	2,235,310	(2,345,456)	548,611
Total Unrestricted Funds	<u>658,757</u>	<u>2,235,310</u>	<u>(2,345,456)</u>	<u>548,611</u>

10 Related Party Transactions

H A M Al Qattan (trustee) made unrestricted donations of £1,214,226 (2023 - £1,846,347) in the year.

The charity's trustee Haya Qadoumi received remuneration of £135,359 (2023: £155,840) during the year. Remuneration to a trustee is allowable per the governing documents.

No other trustee received any remuneration in the financial year.

11 Members liability

The charitable Company is limited by guarantee and one of the members is bound to contribute a sum not exceeding £10 as may be required, in the event of the winding up of the Charity.

12 Taxation

As a charity, Palestine Association for Children's Encouragement of Sports is exempt on income and gains falling within Section 466-493 of the Corporation Tax Act 2010 to the extent that they are derived from charitable activities.

PALESTINE ASSOCIATION FOR CHILDRENS ENCOURAGEMENT OF SPORTS

England & Wales - Charity number 1117085

Accounts



**Palestine Association for Children's Encouragement of Sports
(A company limited by guarantee)**

**Charity No. 1117085
Company No. 05840150**

**TRUSTEES ANNUAL REPORT &
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED
For the Year Ended 31 December 2023

Palestine Association for Children's Encouragement of Sports
Year ended 31 December 2023
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Palestine Association for Children's Encouragement of Sports Trustees' Annual Report 31 December 2023

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2023.

In this report we will refer to the Palestine Association for Children's Encouragement of Sports as "PACES".

Reference and administrative details

Company Number: 05840150

Charity Number: 1117085

Registered Office: 3rd Floor
20 King Street
London
EC2V 8EG

Directors and Trustees: H A M Al Qattan
G Nuqul
H M Qadoumi
H Al Uzaizi
M A M Azab

Secretary: CLC Secretarial Services Limited

Principal Bankers: Arab Bank Plc
Mayfair
London
W1K 1RB

Arab Bank
Al Balad Branch
PO Box 1481
Ramallah
Palestine

Auditors: Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Solicitors: Carter Lemon Camerons LLP
3rd Floor
20 King Street
London
RC2V 8EG

Palestine Association for Children's Encouragement of Sports Trustees' Annual Report (continued) 31 December 2023

Structure, Governance and Management

Governing document

PACES is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 June 2006 (last amended on 5 April 2007) and is a registered charity with the Charity Commission. New membership is open to individuals and organisations interested in promoting the objects of the charity provided their application is approved by the board and the register of members is then duly signed. There is currently one member who agrees to pay up to £10 towards the costs of dissolution in the event of the charity winding up.

Appointment of trustees, induction and training

New trustees are appointed by existing trustees. One third (or the number nearest one third) of the trustees must retire at each AGM, those longest in office retiring first and the choice between any of equal service being made by drawing lots. A retiring trustee who remains qualified may be reappointed. The trustees have learned the duties as trustees through information obtained from external consultants and the charity commission, and are responsible for the induction and training of new trustees.

Organisation

The board of trustees administers the charity. The board meets quarterly but there are also regular email and telephone discussions by the board of trustees on an informal basis.

The day to day operations of the charity are managed by one of the trustees; Haya Qadoumi. Haya is based in the UK and often travels to Palestine, Jordan and Lebanon to arrange charitable activities and develop working relationships with organisations on behalf of the charity, and to meet with individuals and corporations in order to raise funds for the charity.

In addition to this H A M Al Qattan develops working relationships with organisations on behalf of the charity, and meets with individuals and corporations in order to raise funds for the charity.

Activities in Palestine, Jordan and Lebanon are supervised by 23 (2023: 21) full-time employees and 3 (2022: 3) part-time employees.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks. The trustees regularly review these policies to ensure they are both up to date and effective.

Objectives and activities and how our activities deliver public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006, to have due regard to the Charity Commission's general guidance on public benefit.

The objectives of the charity are:

- To enhance children's life skills through sports program and educational activities and empower them to become active citizens within their communities
- To enhance employability skills for young female and male coaches.
- To improve the capacity of local partners to become part of the development of sustainable communities.
- To provide equal opportunities for both genders in sports.

During the annual program cycle, PACES children, coaches and assistant coaches, and local partners are engaged in different activities including sports, non sports, extra-curricular, educational and capacity building activities. The PACES model is designed to ensure maximum benefit to beneficiaries, best utilisation of resources, sustainability and continuity.

Palestine Association for Children's Encouragement of Sports Trustees' Annual Report (continued) 31 December 2023

The strategies employed to achieve the charity's objectives are:

PACES targets sports clubs and centres in underprivileged areas in Palestine, Jordan and Lebanon, and enrolls marginalized boys and girls living in these areas free of charge to join the after-school training sessions. To ensure inclusion, all children are provided with a uniform and sports shoes upon their enrolment in the program. PACES also provides sport clubs and centres with the needed equipment to conduct the sports program such as balls and cones; thus, transforming them into safe and inviting community venues.

PACES provides safe havens for children living in marginalized communities in which they learn key life skills that enable them to interact independently and confidently without fear or hesitation and assist them to improve their socio-emotional composite scale. The program also encourages children to go to school and to stay away from the streets and build friendships in a healthy manner.

PACES uses sports as a viable tool to tackle issues like gender equality and women empowerment, and makes serious efforts to change the social norms so girls can equally benefit from the sports program like boys.

PACES contributes to alleviating unemployment in marginalized communities and refugee camps amongst youth by hiring them as coaches and assistant coaches, and improving their well-being and socio-economic level. In addition, coaches acquire technical and life skills from the different training programs offered; these skills increase their employability in the job market.

PACES runs its program through local partners consisting of sports clubs and centres in different areas in each country. The model is designed in a way to ensure maximum reach and impact on communities; once partner clubs reach an appropriate level of capacity and are able to implement programs, PACES redistributes its resources to establish new partnerships, while maintaining contact with previous partners to ensure that the programs already in place continue to deliver the after-school program to targeted children.

Activities and achievements

In 2023, PACES resumed its sport for development program in Palestine, Jordan, and Lebanon reaching 4,520 boys and girls ages 6-16 years old, 452 females and male coaches and assistant coaches, and 102 local partners. The program was implemented across 26 cities and governorates and covered 33 Palestinian refugee camps in the three countries.

Similar to every year, children were invited to join the weekly after-school sports sessions in football, basketball or volleyball free of charge. Through these sessions, coaches delivered key life skills to children to help them interact and manage their lives independently and confidently, and assist them in improving their socio-emotional skills.

PACES coaches received multiple training and capacity building workshops throughout the program and acquired essential skills to improve their employability. Coaches and assistant coaches also received monthly compensation for delivering the sports sessions. All benefits combined resulted in improved well-being and enhanced socio-economic level.

The program also benefited PACES local partners including sports clubs, centres and associations who play a key role in delivering PACES' program. Local partners also received multiple capacity building trainings and workshops to help them improve their role in their communities.

Palestine Association for Children's Encouragement of Sports Trustees' Annual Report (continued) 31 December 2023

Activities and achievements (continued)

PACES program in Jordan was successfully implemented until the end of the program cycle which was 30 November 2023. However due to the war in Gaza and instability in Lebanon, the program in Palestine and Lebanon was put on hold from 10 October 2023 until the remaining period to ensure the safety of participants.

As usual, PACES established collaborative relationships with organizations and individuals who share the same goals and work towards serving local communities. The support, grants, and donations received go mainly towards the Sports for Development program, to enhance children and coaches' life skills and capacities.

Financial review

PACES raised approximately £2.235m (2022: £1.954m) in donations from individuals and organisations. Expenditure was £2.332m (2022: £2.026m) which is in line with the trustees' expectations. The charity has made a deficit of £110k (2022: £56k). Donations were raised mainly by direct contact of the trustees with potential donors. The charity is aware of the need to protect potentially vulnerable donors and to follow the charity fundraising guidance published by the Charity Commission

The charity had no complaints from donors in relation to its fundraising methods in the year.

The trustees are extremely grateful to all donors for their generous contributions.

Reserves policy

The charity holds total reserves of £549k at year end (2022: 659K), of which £156k are free reserves, being total reserves less amounts invested in tangible fixed assets and investments. The trustees have established that the level of free reserves PACES ought to have to support the overall general running of the charity should be equal to at least three months worth of fixed expenditure estimated to be £230,000. The trustees consider this policy to be adequate and it is the charity's intention to build on this reserve to support its charitable activities in the long term.

Investment policy

The charity holds a program related investment in Amman Football Club, which manages a high performance football training academy. We felt the need for this investment in order to nurture talent of PACES children and in effort to create professional opportunities for talented children enrolled in the PACES Program. Through this partnership, nominated children from PACES receive specialized training at AFC to allow for further development and opportunity to participate in international tournaments.

Plans for future periods

In 2024, PACES plans to resume its Sports for Development program in Palestine, Jordan, and Lebanon. However, due to the war in Gaza and instability in the region, the program will commence in June for a duration of 6 months instead of the 9 month cycle implemented every year, provided that matters subside, especially in Palestine and Lebanon. Additionally, the sports program in 2024 will target fewer beneficiaries as it will cover West Bank and East Jerusalem areas in Palestine and exclude Gaza. Furthermore, less resources will be allocated to Jordan as they will be redirected to Palestine and Lebanon to support their continuity and growth.

The program aims to target more than 3,400 boys and girls ages 6-16 years, 340 coaches and assistant coaches, and more than 80 local partners in the three countries. It will include weekly sports training sessions in football and basketball and wheelchair basketball, with a focus on integrating values and life skills through the sports sessions. The program will also include other sports activities, awareness sessions and community activities in order to nurture and develop the children's physical, behavioural, and social abilities. Moreover, the program will focus on working with coaches and local partners and building their capacities in different areas.

The 2024 program will target 24 cities and governorates and 25 Palestinian refugee camps in Palestine, Jordan, and Lebanon.

Palestine Association for Children's Encouragement of Sports Trustees' Annual Report (continued) 31 December 2023

Statement of Trustees' Responsibilities

The trustees (who are also directors of PACES for the purposes 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 charitable company and of the incoming resources and application of resources including the income and expenditure of the charitable company for that period. In preparing these financial statements the trustees are required to:

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

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

In so far as the trustees are aware:

- a) there is no relevant audit information of which the Charitable company's auditors are unaware; and
- b) the trustees have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Trustees



.....
H A M Al Qattan

Trustee

Date: 18 July 2024

Palestine Association for Children's Encouragement of Sports Independent Auditors' Report to the Members of "PACES"

Opinion

We have audited the financial statements of Palestine Association for Children's Encouragement of Sports ('the company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2023 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 properly 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 charitable company 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 related 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.

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, except to the extent otherwise explicitly stated in our report, 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 there is 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.

Palestine Association for Children's Encouragement of Sports Independent Auditors' Report to the Members of " PACES"

We have nothing to report in this regard.

Opinions 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' annual report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, 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.

Auditor's Responsibilities for the audit of the financial statements

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

Palestine Association for Children's Encouragement of Sports Independent Auditors' Report to the Members of "PACES"

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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 objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Palestine Association for Children's Encouragement of Sports Independent Auditors' Report to the Members of "PACES"

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

.....
Samir Chandoo (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

18 July 2024
Date:

6th Floor
9 Appold Street
London
EC2A 2AP

Palestine Association for Children's Encouragement of Sports
Statement of Financial Activities
For the year ended 31 December 2023

	Note	Unrestricted funds year ended 2023 £	Restricted funds year ended 2023 £	Total funds year ended 2023 £	Unrestricted funds year ended 2022 £	Restricted funds year ended 2022 £	Total funds year ended 2022 £
Income:							
Donations & gifts	2	2,235,310	-	2,235,310	1,954,178	-	1,954,178
Total Income		<u>2,235,310</u>	<u>-</u>	<u>2,235,310</u>	<u>1,954,178</u>	<u>-</u>	<u>1,954,178</u>
Expenditure on charitable activities:							
Cost of the operation of the charity		2,332,053	-	2,332,053	2,026,032	-	2,026,032
Total Expenditure	3	<u>2,332,053</u>	<u>-</u>	<u>2,332,053</u>	<u>2,026,032</u>	<u>-</u>	<u>2,026,032</u>
Net gains/(losses) on investments	6	(13,403)	-	(13,403)	15,208	-	15,208
Net Income/(expenditure)		(110,146)	-	(110,146)	(56,646)	-	(56,646)
Reconciliation of Funds							
Total funds brought forward at 1 January 2023		658,757	-	658,757	715,403	-	715,403
Total funds carried forward at 31 December 2023		<u><u>548,611</u></u>	<u><u>-</u></u>	<u><u>548,611</u></u>	<u><u>658,757</u></u>	<u><u>-</u></u>	<u><u>658,757</u></u>

The notes on pages 13 to 18 form part of these financial statements.

There were no recognised gains or losses other than those recognised above.

Palestine Association for Children's Encouragement of Sports

Balance Sheet as at 31 December 2023

	Note	2023 £	2022 £
Fixed Assets			
Tangible fixed assets	5	17,573	21,584
Program related Investments	6	<u>375,235</u>	<u>388,638</u>
		392,808	410,222
 Current Assets			
Debtors	7	57,836	75,347
Cash at bank and in hand		<u>156,488</u>	<u>280,022</u>
		214,324	355,369
Creditors: Amounts falling due within one year	8	<u>(58,521)</u>	<u>(106,834)</u>
Net Current Assets / (Liabilities)		<u>155,803</u>	<u>248,535</u>
Net Assets		<u><u>548,611</u></u>	<u><u>658,757</u></u>
 Reserves			
Unrestricted funds	9	<u>548,611</u>	<u>658,757</u>
		<u><u>548,611</u></u>	<u><u>658,757</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 18 July 2024 and signed on its behalf by:



.....
H A M Al Qattan
 Trustee

The notes on pages 13 to 18 form part of these financial statements.

Company No. 05840150

Palestine Association for Children's Encouragement of Sports

Statement of Cash Flows as at 31 December 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash (used in) operating activities	<u>(102,963)</u>	<u>(29,478)</u>
Cash flows from investing activities		
Purchase of fixed assets	(20,571)	(4,393)
Net cash used in investing activities	<u>(20,571)</u>	<u>(4,393)</u>
	(123,534)	(33,871)
Cash and cash equivalents at the beginning of the reporting period	280,022	313,893
Cash and cash equivalents at the end of the reporting period	<u>156,488</u>	<u>280,022</u>

Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net income for the reporting period	(110,146)	(56,646)
Adjustments for:		
Investment losses/(gains)	13,403	(15,208)
Depreciation charges	24,582	21,414
Decrease/(Increase) in debtors	17,511	(8,737)
(Increase)/decrease in stock	-	36,815
(Decrease) in creditors	(48,313)	(7,116)
Net cash provided by operating activities	<u>(102,963)</u>	<u>(29,478)</u>

Analysis of Cash and Cash Equivalents

	2023 £	2022 £
Cash in hand	156,488	280,022
Total cash and cash equivalents	<u>156,488</u>	<u>280,022</u>

Analysis of Changes in Net Debt

	At 01/01/2023	Cash flows	At 31/12/2023
Cash	280,022	(123,534)	<u>156,488</u>

Palestine Association for Children's Encouragement of Sports

Notes to the Financial Statements

For the year ended 31 December 2023

1 Accounting Policies

Charity information

Palestine Association for Children's Encouragement of Sports is a company limited by guarantee incorporated and registered in England and Wales. The registered office is 3rd Floor, 20 King Street, London, RC2V 8EG.

1.1 Basis of preparation

The financial statements are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The charitable company is a public benefit entity for the purpose of FRS102 and therefore the charity's financial statements have been prepared in accordance with Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic or Ireland (the FRS 102 Charities SORP) including Update Bulletin 2, the Companies Act 2006 and the Charities Act 2011.

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

The principal accounting policies, which are applied consistently, are set out below.

1.2 Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charitable company's forecasts and projections and have taken account of pressures on donation income. The founder of the charity H A M Al Qattan has confirmed he intends to continue to provide on-going support to the charity in the form of donations and/or writing off any loans made by him to the charity should it be necessary to enable the charity to meet its working capital commitments, and the level of support is expected to be in line with transactions in recent years as disclosed in note 10. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Income

Voluntary income and donations are accounted for when receivable.

Gifts in-kind are recognised when an equivalent amount has been expended. They are valued at the amount the Charity would have to pay in the open market for an equivalent item.

1.4 Expenditure

All expenses are accounted for on an accruals basis. Costs are allocated directly to the appropriate activity.

Expenditure incurred in connection with the specific objects of the charity is included under the heading charitable activities.

1.5 Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction, the average rate being used as an approximation to this rate. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the statement of financial activities.

Palestine Association for Children's Encouragement of Sports

Notes to the Financial Statements

For the year ended 31 December 2023

1 Accounting Policies (continued)

1.6 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.

1.7 Fixed assets and depreciation

All fixed assets with a value over £500 are capitalised at cost, being their purchase cost together with a incidental expenses at acquisition, and depreciated to their estimated residual value over their estimate useful economic lives as follows:

Computer equipment	3 years straight line basis.
Fixtures & fittings	4 years straight line basis.
Leasehold improvements	4 years straight line basis.

1.8 Program related investments

Investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the SOFA.

1.90 Financial instruments

The company 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 charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

Basic financial liabilities

Basic financial liabilities, including trade and other payables 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.

1.10 Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

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

Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2023

2 Income - Donations & gifts

During the year the Charity received donations of £2,235,310 (2022 - £1,954,178). £2,191,606 (2022 - £1,788,567) was received from individuals while £43,704 (2022 - £165,611) was received from organisations.

3 Total Resources Expended

	Staff Costs 2023 £	Other Costs 2023 £	Total 2023 £	Staff Costs 2022 £	Other Costs 2022 £	Total 2022 £
Charitable Activities:						
Overseas Staff cost- project delivery	1,136,188	-	1,136,188	1,092,740	-	1,092,740
UK staff costs	176,358	-	176,358	151,006	-	151,006
Activities, sport kits and equipment	-	55,804	55,804	-	66,279	66,279
Travel, subsistence & accommodation	-	193,137	193,137	-	30,394	30,394
Other project costs	-	527,577	527,577	-	411,541	411,541
Accountancy	-	10,147	10,147	-	10,366	10,366
Office costs, postage, printing & stationery	-	84,302	84,302	-	157,983	157,983
Telephone	-	7,995	7,995	-	10,442	10,442
Bank charges and interest	-	11,239	11,239	-	1,529	1,529
Training	-	-	-	-	15,580	15,580
(Profit) / loss on foreign exchange	-	8,904	8,904	-	(12,116)	(12,116)
Legal costs of running the charity	-	59,055	59,055	-	53,051	53,051
Depreciation (note 5)	-	24,582	24,582	-	21,415	21,415
AFC fees	-	17,010	17,010	-	-	-
Audit costs	-	19,755	19,755	-	15,822	15,822
	<u>1,312,546</u>	<u>1,019,507</u>	<u>2,332,053</u>	<u>1,243,746</u>	<u>782,286</u>	<u>2,026,032</u>

The average number of staff employed during the year was 30 (2022 - 26).

Staff costs	2023	2022
<i>Staff on UK payroll</i>		
Wages and salaries	155,840	133,191
Social security costs	20,518	17,815
	<u>176,358</u>	<u>151,006</u>
Overseas staff costs	<u>1,136,188</u>	<u>1,092,740</u>
	<u>1,312,546</u>	<u>1,243,746</u>

During the year there was one employee whose remuneration exceeded £60,000:-

	2023	2022
£130,000 - £139,999	-	1
£140,000 - £149,999	-	-
£150,000 - £159,999	1	-

No trustees were reimbursed for expenses in 2023 or 2022.

The Charity considers its key management personnel to be its trustees. The total cost of key management personnel was £176,359 (2022: £151,006). There were no pension costs associated with the UK based staff.

Transactions with trustees and other related parties are disclosed in note 10.

Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2023

4	Auditor's remuneration		2023		2022
			£		£
	Audit		14,900		12,330
	Other services		7,000		5,130
			<u>21,900</u>		<u>17,460</u>
5	Tangible fixed assets				
		Computer Equipment	Leasehold Improvements	Fixtures & Fittings	Total £
	Cost				
	At 1st January 2023	35,088	43,048	20,083	98,219
	Additions	13,434	-	7,137	20,571
	At 31st December 2023	<u>48,522</u>	<u>43,048</u>	<u>27,220</u>	<u>118,790</u>
	At 1st January 2023	29,946	32,286	14,403	76,635
	Charge for the year	7,028	10,762	6,792	24,582
	At 31st December 2023	<u>36,974</u>	<u>43,048</u>	<u>21,195</u>	<u>101,217</u>
	Net Book Value				
	At 31st December 2023	<u>11,548</u>	<u>-</u>	<u>6,025</u>	<u>17,573</u>
	At 31st December 2022	<u>5,142</u>	<u>10,762</u>	<u>5,680</u>	<u>21,584</u>
6	Program Related Investments				
	Brought forward			388,638	373,430
	Unrealised FX (loss)/gains			(13,403)	15,208
				<u>375,235</u>	<u>388,638</u>

Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2023

7 Debtors	2023	2022
	£	£
Gift aid	48,205	62,148
Prepayments	9,264	4,187
Other debtors	367	9,012
	<u>57,836</u>	<u>75,347</u>
	<u><u>57,836</u></u>	<u><u>75,347</u></u>
8 Creditors: amounts falling due within one year	2023	2022
	£	£
Trade creditors	-	2,980
Accruals	44,595	70,189
Taxation and social security creditors	5,656	6,466
Grants payable	8,270	27,199
	<u>58,521</u>	<u>106,834</u>
	<u><u>58,521</u></u>	<u><u>106,834</u></u>

Palestine Association for Children's Encouragement of Sport
SNotes to the Financial Statements
For the year ended 31 December 2023

9 Unrestricted Funds

	1 January 2023	Income	Expenditure	31 December 2023
	£	£	£	£
General Fund	<u>658,757</u>	<u>2,235,310</u>	<u>(2,345,456)</u>	<u>548,611</u>
Total Unrestricted Funds	<u><u>658,757</u></u>	<u><u>2,235,310</u></u>	<u><u>(2,345,456)</u></u>	<u><u>548,611</u></u>
	1 January 2022	Income	Expenditure	31 December 2022
	£	£	£	£
General Fund	<u>715,403</u>	<u>1,954,178</u>	<u>(2,010,824)</u>	<u>658,757</u>
Total Unrestricted Funds	<u><u>715,403</u></u>	<u><u>1,954,178</u></u>	<u><u>(2,010,824)</u></u>	<u><u>658,757</u></u>

10 Related Party Transactions

H A M Al Qattan (trustee) made unrestricted donations of £1,846,347 (2022 - £1,383,284) in the year.

The charity's trustee Haya Qadoumi received remuneration of £155,840 (2022: £133,192) during the year. Remuneration to trustees is allowable in the governing documents.

No other trustee received any remuneration in the financial year.

11 Members liability

The charitable Company is limited by guarantee and each of the members is bound to contribute a sum not exceeding £10 as may be required, in the event of the winding up of the Charity.

12 Taxation

As a charity, Palestine Association for Children's Encouragement of Sports is exempt on income and gains falling within Section 466-493 of the Corporation Tax Act 2010 to the extent that they are derived from charitable activities.

PALESTINE ASSOCIATION FOR CHILDRENS ENCOURAGEMENT OF SPORTS

England & Wales - Charity number 1117085

Accounts



**Palestine Association for Children's Encouragement of Sports
(A company limited by guarantee)**

**Charity No. 1117085
Company No. 05840150**

**TRUSTEES ANNUAL REPORT &
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
For the Year Ended 31 December 2022**

PACES
Palestine Association for Children's Encouragement of Sports
Year ended 31 December 2022
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PACES
Palestine Association for Children's Encouragement of Sports
Trustees' Annual Report
31 December 2022

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2022

In this report we will refer to the Palestine Association for Children's Encouragement of Sports as "PACES".

Reference and administrative details

Company Number: 05840150

Charity Number: 1117085

Registered Office: 3rd Floor
20 King Street
London
EC2V 8EG

Directors and Trustees: H A M Al Qattan
Ghassan Nuqul
Haya M Qadoumi
Helen Al Uzaizi

Secretary: CLC Secretarial Services Limited

Principal Bankers: Arab Bank Plc
Mayfair
London
W1K 1RB

Arab Bank
Al Balad Branch
PO Box 1481
Ramallah
Palestine

Auditors: Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Solicitors: Carter Lemon Camerons LLP
3rd Floor
20 King Street
London
RC2V 8EG

PACES

Palestine Association for Children's Encouragement of Sports

Trustees' Annual Report

31 December 2022

Structure, Governance and Management

Governing document

PACES is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 June 2006 and last amended on 5 April 2007 and is registered as a charity with the Charity Commission. New membership is open to individuals and organisations interested in promoting the objects of the charity provided their application is approved by the trustees and the register of members is then duly signed. There is currently one member who agrees to pay up to £10 towards the costs of dissolution in the event of the

Appointment of trustees, induction and training

New trustees are appointed by existing trustees. One third (or the number nearest one third) of the trustees must retire at each AGM, those longest in office retiring first and the choice between any of equal service being made by drawing lots. A retiring trustee who remains qualified may be reappointed. The trustees have learned the duties as trustees through information obtained from external consultants and the charity commission, and are responsible for the induction and training of new trustees.

Organisation

The board of trustees administers the charity. The board meets quarterly but there are also regular email and telephone discussions by the board of trustees on an informal basis.

The day to day operations of the charity are managed by one of the trustees; Haya Qadumi. Haya is based in the UK and often travels to Palestine, Jordan and Lebanon to arrange charitable activities and develop working relationships with organisations on behalf of the charity, and to meet with individuals and corporations in order to raise funds for the charity.

In addition to this H A M Al Qattan develops working relationships with organisations on behalf of the charity, and meets with individuals and corporations in order to raise funds for the charity.

Activities in Palestine, Jordan and Lebanon are supervised by 23 (2021: 26) full-time employees and 3 (2021: 3) part-time employees.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks. The trustees regularly review these policies to ensure they are both up to date and effective.

Objectives and activities and how our activities deliver public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006, to have due regard to the Charity Commission's general guidance on public benefit.

The objects of the charity are:

- To enhance children's life skills through sports program and educational activities and empower them to become active citizens within their communities
- To enhance employability skills for young female and male coaches.
- To improve the capacity of local partners to become part of the development of sustainable communities.
- To provide equal opportunities for both genders in sports.

During the annual program cycle, PACES children, coaches and assistant coaches, and local partners are engaged in different activities including sports, non sports, extra-curricular, educational and capacity building activities. The PACES model is designed to ensure maximum benefit to beneficiaries, best utilisation of resources, sustainability and continuity.

PACES

Palestine Association for Children's Encouragement of Sports Trustees' Annual Report (continued)

31 December 2022

The strategies employed to achieve the charity's objectives are:

PACES targets sports clubs and centres in underprivileged areas in Palestine, Jordan and Lebanon, and enrolls marginalized boys and girls living in these areas free of charge to join the after-school training sessions. To ensure inclusion, all children are provided with a uniform and sports shoes upon their enrolment in the program. PACES also provides sport clubs and centres with the needed equipment to conduct the sports program such as balls and cones; thus, transforming them into safe and inviting community venues.

PACES provides safe havens for children living in marginalized communities in which they learn key life skills that enable them to interact independently and confidently without fear or hesitation and assist them to improve their socio-emotional composite scale. The program also encourages children to go to school and to stay away from the streets and build friendships in a healthy manner.

PACES uses sports as a viable tool to issues like gender equality and women empowerment, and makes serious efforts to change the social norms so girls can equally benefit from the sports program like boys.

PACES contributes to alleviating unemployment in marginalized communities and refugee camps amongst youth by hiring them as coaches and assistant coaches, and improving their well-being and socio-economic level. In addition, coaches acquire technical and life skills from the different training programs offered; these skills increase their employability in the job market.

PACES runs its program through local partners consisting of sports clubs and centres in different areas in each country. The model is designed in a way to ensure maximum reach and impact on communities; once partner clubs reach an appropriate level of capacity and are able to implement programs, PACES redistributes its resources to establish new partnerships, while maintaining contact with previous partners to ensure that the programs already in place continue to deliver the after-school program to targeted children.

Activities and achievements

PACES resumed its sport for development program in Palestine and Jordan in 2022 reaching 3,500 boys and girls, 350 coaches and assistant coaches, and 79 local partners. Unfortunately, due to the continuous crisis in Lebanon the program remained on hold.

Similar to every year, children were invited to join the weekly after-school sports sessions in football, basketball or volleyball free of charge in addition to other activities. Through these sessions, coaches delivered key life skills to children to help them interact and manage their lives independently, confidently, and effectively, and assist them in improving their socio-emotional skills.

PACES coaches received multiple training and capacity building workshops throughout the program and acquired essential skills to improve their employability. Coaches and assistant coaches also received monthly compensation for delivering the sports sessions. All benefits combined resulted in improved well-being and enhanced socio-economic level.

The program also benefited PACES local partners which include sports clubs, centres and associations in different areas in each country. Local partners also received multiple capacity building trainings and workshops to help them improve their role in their communities. Local partners play a key role in delivering PACES' program.

PACES

Palestine Association for Children's Encouragement of Sports Trustees' Annual Report (continued)

31 December 2022

Activities and achievements (continued)

In 2022, PACES's Sports for development program targeted communities in refugee camps and most marginalised areas in 18 governorates across Palestine and Jordan. In addition to the regular sport training sessions offered to children. PACES organised recreational activities which are considered channels for growth and empowerment, as well as friendly sports tournament in 2022. All activities were designed to bring children from different areas together in a social environment to enhance the concept of life skills taught throughout the sports program. PACES also provided multiple extra-curricular activities for PACES children in Palestine and Jordan. Children were offered activities in the fields of culture, arts, and community work. Through these activities, children were given access to a variety of creative and cultural outlets as well as a chance to gain additional essential life skills.

As usual, PACES established collaborative relationships with organizations and individuals who share the same goals and work towards serving local communities. The support, grants, and donations received go mainly towards the Sports for Development program, to enhance children and coaches' life skills and capacities.

Financial review

PACES raised approximately £1,954k (2021: £2,183k) in donations from individuals and organisations. Expenditure was £2,026k (2021: £2,147k) which is in line with the trustees' expectations. The charity has made a deficit for the year of £57k (2021: surplus £37k). Donations were raised mainly by direct contact of the trustees with potential donors. The charity is aware of the need to protect potentially vulnerable donors and to follow the charity fundraising guidance published by the Charity Commission.

The charity had no complaints from donors in relation to its fundraising methods in the year.

The trustees are extremely grateful to all donors for their generous contributions.

Reserves policy

The charity holds total reserves of £659k at year end, of which £249k are free reserves, being total reserves less amounts invested in tangible fixed assets and investments. The trustees have established that the level of free reserves PACES ought to have to support the overall general running of the charity should be equal to at least three months' worth of fixed expenditure. The trustees consider this policy to be adequate and it is the charity's intention to build on this reserve to support its charitable activities in the long term.

Plans for future periods

In 2023, PACES will continue with its "Sports for Development" program targeting more than 4,500 BOYS AND GIRLS, 450 COACHES and more than 90 LOCAL PARTNERS in Palestine, Jordan, and Lebanon.

The program in 2023 will be targeting children between the ages of 6 and 16, by offering weekly sports training sessions for 9 months in football, basketball and volleyball. As usual, the program will be focusing on integrating values and life-skills through sports sessions, in addition to other sports activities, awareness sessions and community activities in order to nurture and develop the children's physical, behavioral, and social abilities. The program will also focus on working with coaches and local partners.

After a 2-year absence of our Sport for Development program in Lebanon, PACES will resume its activity. The program in Lebanon will also target People with Disabilities, and will include 1 sitting volleyball group and 1 wheelchair basketball group.

The 2023 program cycle will target 27 cities and governorates and 33 Palestinian refugee camps in Palestine, Jordan and Lebanon.

PACES
Palestine Association for Children's Encouragement of Sports
Trustees' Annual Report (continued)
31 December 2022

Statement of Trustees' Responsibilities

The trustees (who are also directors of PACES for the purposes 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 charitable company and of the incoming resources and application of resources including the income and expenditure of the charitable company for that period. In preparing these financial statements the trustees are required to:

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

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

In so far as the trustees are aware:

- a) there is no relevant audit information of which the Charitable company's auditors are unaware; and
- b) the trustees have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Trustees



.....
H A M Al Qattan

Trustee

Date: 27/10/2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PALESTINE ASSOCIATION FOR CHILDREN'S ENCOURAGEMENT OF SPORTS

Opinion

We have audited the financial statements of Palestine Association for Children's Encouragement of Sports ('the charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 2022 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 Auditor's Responsibilities for the audit of 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 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 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.

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. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PALESTINE ASSOCIATION FOR CHILDREN'S ENCOURAGEMENT OF SPORTS

Opinions 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, 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.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PALESTINE ASSOCIATION FOR CHILDREN'S ENCOURAGEMENT OF SPORTS

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees;
- conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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 objectives of our audit in respect of fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- we obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation;
- we obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance;
- we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance;
- we enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations;
- based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PALESTINE ASSOCIATION FOR CHILDREN'S ENCOURAGEMENT OF SPORTS

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

Date: 27/10/2023

PACES
Palestine Association for Children's Encouragement of Sports
Statement of Financial Activities
For the year ended 31 December 2022

	Note	Unrestricted funds year ended 2022 £	Restricted funds year ended 2022 £	Total funds year ended 2022 £	Unrestricted funds year ended 2021 £	Restricted funds year ended 2021 £	Total funds year ended 2021 £
Income:							
Donations & gifts	2	1,954,178	-	1,954,178	2,183,277	-	2,183,277
Total Income		<u>1,954,178</u>	<u>-</u>	<u>1,954,178</u>	<u>2,183,277</u>	<u>-</u>	<u>2,183,277</u>
Expenditure on charitable activities:							
Cost of the operation of the charity		2,026,032	-	2,026,032	2,146,525	-	2,146,525
Total Expenditure	3	<u>2,026,032</u>	<u>-</u>	<u>2,026,032</u>	<u>2,146,525</u>	<u>-</u>	<u>2,146,525</u>
Net gains/(losses) on investments	6	15,208	-	15,208	-	-	-
Net Income/(expenditure)		(56,646)	-	(56,646)	36,752	-	36,752
Reconciliation of Funds							
Total funds brought forward at 1 January 2022		715,403	-	715,403	678,651	-	678,651
Total funds carried forward at 31 December 2022		<u><u>658,757</u></u>	<u><u>-</u></u>	<u><u>658,757</u></u>	<u><u>715,403</u></u>	<u><u>-</u></u>	<u><u>715,403</u></u>

The notes on pages 13 to 18 form part of these financial statements.

There were no recognised gains or losses other than those recognised above.

PACES
Palestine Association for Children's Encouragement of Sports
Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed Assets			
Tangible fixed assets	5	21,584	38,605
Investments	6	388,638	373,430
		<u>410,222</u>	<u>412,035</u>
Current Assets			
Stock		-	36,815
Debtors	7	75,347	66,610
Cash at bank and in hand		280,022	313,893
		<u>355,369</u>	<u>417,318</u>
Creditors: Amounts falling due within one year	8	<u>(106,834)</u>	<u>(113,950)</u>
Net Current Assets / (Liabilities)		<u>248,535</u>	<u>303,368</u>
Net Assets		<u><u>658,757</u></u>	<u><u>715,403</u></u>
 Reserves			
Unrestricted funds	9	<u>658,757</u>	<u>715,403</u>
		<u><u>658,757</u></u>	<u><u>715,403</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 27/10/2023 and signed on its behalf by:



.....
H A M Al Qattan
Trustee

The notes on pages 13 to 18 form part of these financial statements.

Company No. 05840150

PACES

Palestine Association for Children's Encouragement of Sports Statement of Cash Flows as at 31 December 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash provided by / (used in) operating activities	<u>(29,478)</u>	<u>(66,211)</u>
Cash flows from investing activities		
Purchase of fixed assets	(4,393)	(9,280)
Purchase of fixed assets investments	-	-
Net cash used in investing activities	<u>(4,393)</u>	<u>(9,280)</u>
	(33,871)	(75,491)
Cash and cash equivalents at the beginning of the reporting period	313,893	389,384
Cash and cash equivalents at the end of the reporting period	<u>280,022</u>	<u>313,893</u>

Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net income for the reporting period	(56,646)	36,752
Adjustments for:		
Investment gains/losses	(15,208)	-
Depreciation charges	21,414	20,910
Decrease in debtors	(8,737)	(7,769)
(Increase)/decrease in stock	36,815	(36,815)
Increase/(decrease) in creditors	(7,116)	(79,289)
Net cash provided by operating activities	<u>(29,478)</u>	<u>(66,211)</u>

Analysis of Cash and Cash Equivalents

	2022 £	2021 £
Cash in hand	280,022	313,893
Total cash and cash equivalents	<u>280,022</u>	<u>313,893</u>

Analysis of Changes in Net Debt

	At 01/01/2022	Cash flows	At 31/12/2022
Cash	313,893	(33,871)	280,022
	<u>313,893</u>	<u>(33,871)</u>	<u>280,022</u>

PACES

Palestine Association for Children's Encouragement of Sports

Notes to the Financial Statements

For the year ended 31 December 2022

1 Accounting Policies

Charity information

Palestine Association for Children's Encouragement of Sports is a company limited by guarantee incorporated and registered in England and Wales. The registered office is 3rd Floor, 20 King Street, London, RC2V 8EG.

1.1 Basis of preparation

The financial statements are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The charitable company is a public benefit entity for the purpose of FRS102 and therefore the charity's financial statements have been prepared in accordance with 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 (the FRS 102 Charities SORP) including Update Bulletin 2, the Companies Act 2006 and the Charities Act 2011.

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

The principal accounting policies, which are applied consistently, are set out below.

1.2 Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charitable company's forecasts and projections and have taken account of pressures on donation income. The founder of the charity H A M Al Qattan has confirmed he intends to continue to provide on-going support to the charity in the form of donations and/or writing off any loans made by him to the charity should it be necessary to enable the charity to meet its working capital commitments, and the level of support expected to be in line with transactions in recent years as disclosed in note 10. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Income

Voluntary income and donations are accounted for when receivable.

Gifts in-kind are recognised when an equivalent amount has been expended. They are valued at the amount the Charity would have to pay in the open market for an equivalent item.

1.4 Expenditure

All expenses are accounted for on an accruals basis. Costs are allocated directly to the appropriate activity.

Expenditure incurred in connection with the specific objects of the charity is included under the heading charitable activities. Expenditure on Governance includes all costs relating to regulatory compliance and strategic direction of the charity.

1.5 Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction, the average rate being used as an approximation to this rate. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the statement of financial activities.

PACES

Palestine Association for Children's Encouragement of Sports

Notes to the Financial Statements

For the year ended 31 December 2022

1 Accounting Policies (continued)

1.6 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.

1.7 Fixed assets and depreciation

All fixed assets with a value over £500 are capitalised at cost, being their purchase cost together with an incidental expenses at acquisition, and depreciated to their estimated residual value over their estimated useful economic lives as follows:

Computer equipment	3 years straight line basis.
Fixtures & fittings	4 years straight line basis.
Leasehold improvements	4 years straight line basis.

1.8 Fixed assets investments

Investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.9 Stock

Stock represents kits and equipment for distribution as part of charitable activities. Stocks are stated at the lower of cost and net realisable value. Net realisable value is assessed not only in relation to 'selling' price but also with reference to the value in distribution to the beneficiaries in order to further the objects of the charity. Stock is expensed in the reporting period in which it is distributed.

1.10 Financial instruments

The company 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 charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

Basic financial liabilities

Basic financial liabilities, including trade and other payables 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.

1.11 Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

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

PACES
Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2022 (continued)

2 Income - Donations & gifts

During the year the Charity received donations of £1,954,178 (2021 - £2,183,277). £1,788,567 (2021 - £2,102,831) was received from individuals while £165,611 (2021 - £80,466) was received from organisations.

3 Total Resources Expended

	Staff Costs 2022 £	Other Costs 2022 £	Total 2022 £	Staff Costs 2021 £	Other Costs 2021 £	Total 2021 £
Charitable Activities:						
Coordinators' remuneration	30,202	-	30,202	36,000	-	36,000
Coaches' remuneration	1,062,538	-	1,062,538	637,101	-	637,101
Activities, sport kits and equipment	-	66,279	66,279	-	138,561	138,561
Travel, subsistence & accommodation	-	30,394	30,394	-	33,360	33,360
Other projects	-	562,547	562,547	-	1,029,641	1,029,641
Accountancy	-	10,366	10,366	-	4,583	4,583
Office costs, postage, printing & stationery	-	157,983	157,983	-	142,094	142,094
Telephone	-	10,442	10,442	-	10,106	10,106
Bank charges and interest	-	1,529	1,529	-	1,997	1,997
Training	-	15,580	15,580	-	7,969	7,969
(Profit) / loss on foreign exchange	-	(12,116)	(12,116)	-	5,355	5,355
Legal costs of running the charity	-	53,051	53,051	-	43,298	43,298
Depreciation (note 5)	-	21,415	21,415	-	20,910	20,910
AFC fees	-	-	-	-	21,330	21,330
Audit (excluding VAT)	-	12,330	12,330	-	12,450	12,450
Audit (irrecoverable VAT & under/(over) accrual provisions)	-	3,492	3,492	-	1,770	1,770
	<u>1,092,740</u>	<u>933,292</u>	<u>2,026,032</u>	<u>673,101</u>	<u>1,473,424</u>	<u>2,146,525</u>

The average number of staff employed during the year was 26 (2021 - 30).

Staff costs	2022	2021
<i>Staff on UK payroll</i>		
Wages and salaries	133,191	109,179
Social security costs	17,815	13,274
Pension costs	-	-
	<u>151,006</u>	<u>122,453</u>
Other salary costs	<u>1,062,538</u>	<u>1,152,376</u>
	<u>1,213,544</u>	<u>1,274,829</u>

During the year there was one employee whose remuneration exceeded £60,000:-

	2022	2021
£100,000 - £109,999	-	1
£110,000 - £119,999	-	1
£120,000 - £129,999	-	-
£130,000 - £139,999	1	-

No trustees were reimbursed for expenses in 2022 (2021: nil).

The Charity considers its key management personnel to be its trustees. The total amount payable to key management personnel was £151,006 (2021: £236,965).

Transaction with trustees and other related parties are disclosed in note 10.

PACES
Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2022

4 Auditor's remuneration	2022	2021
	£	£
Audit (excluding VAT)	12,330	12,450
Other services (excluding VAT)	5,130	2,022
	<u>17,460</u>	<u>14,472</u>

5 Tangible fixed assets				2022
	Computer	Leasehold	Fixtures &	£
	Equipment	Improvements	Fittings	
Cost				
At 1st January 2022	30,695	43,048	20,083	93,826
Additions	4,393	-	-	4,393
Disposals	-	-	-	-
At 31st December 2022	<u>35,088</u>	<u>43,048</u>	<u>20,083</u>	<u>98,219</u>
At 1st January 2022	24,315	21,524	9,382	55,221
Charge for the year	5,631	10,762	5,021	21,414
Deprecation on disposal	-	-	-	-
At 31st December 2022	<u>29,946</u>	<u>32,286</u>	<u>14,403</u>	<u>76,635</u>
Net Book Value				
At 31st December 2022	<u>5,142</u>	<u>10,762</u>	<u>5,680</u>	<u>21,584</u>
At 31st December 2021	<u>6,380</u>	<u>21,524</u>	<u>10,701</u>	<u>38,605</u>

6 Investments	2022	2021
	£	£
Brought forward	373,430	373,430
Additions	-	-
Disposals	-	-
Unrealised gains/(losses)	15,208	-
	<u>388,638</u>	<u>373,430</u>

PACES
Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2022

7 Debtors	2022	2021
	£	£
Gift aid	62,148	56,308
Prepayments	4,187	7,662
Other debtors	9,012	2,640
	<u>75,347</u>	<u>66,610</u>
	<u><u>75,347</u></u>	<u><u>66,610</u></u>
8 Creditors: amounts falling due within one year	2022	2021
	£	£
Trade creditors	2,980	3,705
Accruals	70,189	74,065
Taxation and social security creditors	6,466	3,644
Grants payable	27,199	32,536
Amounts due to Trustee for loan (note 10)	-	-
	<u>106,834</u>	<u>113,950</u>
	<u><u>106,834</u></u>	<u><u>113,950</u></u>

PACES
Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2022

9 Unrestricted Funds

	1 January 2022	Income	Expenditure	31 December 2022
	£	£	£	£
General Fund	715,403	1,954,178	(2,010,824)	658,757
Total Unrestricted Funds	<u>715,403</u>	<u>1,954,178</u>	<u>(2,010,824)</u>	<u>658,757</u>
	1 January 2021	Income	Expenditure	31 December 2021
	£	£	£	£
General Fund	678,651	2,183,277	(2,146,525)	715,403
Total Unrestricted Funds	<u>515,582</u>	<u>2,650,980</u>	<u>(2,426,545)</u>	<u>715,403</u>

10 Related Party Transactions

H A M Al Qattan (trustee) loaned the charity £nil (2021: £nil) and donated £1,383,284 (2021 - £1,754,299) in the year. The amount due to the H A M Al Qattan at the balance sheet date was £nil (2021 - £nil).

The charity's trustee Haya Qadoumi received remuneration of £133,192 (2021: £109,179) during the year. The charity's trustee Nahed Ahmad Abusneneh received remuneration of £Nil (2021: £114,512) during the year.

No other trustee received any remuneration in the financial year.

11 Members liability

The charitable Company is limited by guarantee and each of the members is bound to contribute a sum not exceeding £10 as may be required, in the event of the winding up of the Charity.

12 Taxation

As a charity, Palestine Association for Children's Encouragement of Sports is exempt on income and gains falling within Section 466-493 of the Corporation Tax Act 2010 to the extent that they are derived from charitable activities.

13 Capital Commitments

There were no capital commitments not provided for in the financial statements for the year ended 31 December 2022 (2021: nil)

PALESTINE ASSOCIATION FOR CHILDRENS ENCOURAGEMENT OF SPORTS

England & Wales - Charity number 1117085

Accounts



**Palestine Association for Children's Encouragement of Sports
(A company limited by guarantee)**

**Charity No. 1117085
Company No. 05840150**

**TRUSTEES ANNUAL REPORT &
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
For the Year Ended 31 December 2021**

PACES
Palestine Association for Children's Encouragement of Sports
Year ended 31 December 2021
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PACES
Palestine Association for Children's Encouragement of Sports
Trustees' Annual Report
31 December 2021

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2021.

In this report we will refer to the Palestine Association for Children's Encouragement of Sports as "PACES".

Reference and administrative details

Company Number: 05840150

Charity Number: 1117085

Registered Office: 3rd Floor
20 King Street
London
RC2V 8EG

Directors and Trustees: H A M Al Qattan
Nahed Ahmad Abusneneh Resigned 02/02/2022
Dr M Barakat Resigned 15/02/2022
Ghassan Nuqul
Haya M Qadoumi
Helen Al Uzaizi

Secretary: CLC Secretarial Services Limited

Principal Bankers: Arab Bank Plc
Mayfair
London
SE10 9EL

Arab Bank
Al Balad Branch
PO Box 1481
Ramallah
Palestine

Auditors: Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Solicitors: CLC Secretarial Services Limited
3rd Floor
20 King Street
London
RC2V 8EG

PACES

Palestine Association for Children's Encouragement of Sports

Trustees' Annual Report

31 December 2021

Structure, Governance and Management

Governing document

PACES is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 June 2006 and last amended on 5 April 2007 and is registered as a charity with the Charity Commission. New membership is open to individuals and organisations interested in promoting the objects of the charity provided their application is approved by the trustees and the register of members is then duly signed. There is currently one member who agrees to pay up to £10 towards the costs of dissolution in the event of the charity winding up.

Appointment of trustees, induction and training

New trustees are appointed by existing trustees. One third (or the number nearest one third) of the trustees must retire at each AGM, those longest in office retiring first and the choice between any of equal service being made by drawing lots. A retiring trustee who remains qualified may be reappointed. The trustees have learned the duties as trustees through information obtained from external consultants and the charity commission, and are responsible for the induction and training of new trustees.

Organisation

The board of trustees administers the charity. The board meets quarterly but there are also regular email and telephone discussions by the board of trustees on an informal basis.

The day to day operations of the charity are managed by one of the trustees; Haya Qadoumi. Haya is based in the UK and often travels to Palestine, Jordan and Lebanon to arrange charitable activities and develop working relationships with organisations on behalf of the charity, and to meet with individuals and corporations in order to raise funds for the charity.

In addition to this H A M Al Qattan develops working relationships with organisations on behalf of the charity, and meets with individuals and corporations in order to raise funds for the charity.

Activities in Palestine, Jordan and Lebanon are supervised by 21 (2020: 28) full-time employees and 3 (2020: 9) part-time employees who coordinate activities with clubs and between over six hundred sporting and volunteer coaches.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks. The trustees regularly review these policies to ensure they are both up to date and effective. The trustees have considered the Covid-19 pandemic as a risk in the 2021 financial year and have taken measures to address this in the current year.

Objectives and activities and how our activities deliver public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006, to have due regard to the Charity Commission's general guidance on public benefit.

The objects of the charity are:

- To provide sporting facilities and playing fields in the interest of social welfare for Palestinian children and young people living anywhere in the world in order to improve the children's conditions of life and to advance their education.
- To promote healthy recreation to Palestinian children and young people living anywhere in the world through the provision of sporting and coaching facilities.
- To promote the health and education of Palestinian children and young people living anywhere in the world.

The main objectives for the year continue to be the provision of sporting facilities, programs and activities, and healthy recreation of Palestinian children and young people anywhere in the world.

PACES

Palestine Association for Children's Encouragement of Sports Trustees' Annual Report (continued)

31 December 2021

The strategies employed to achieve the charity's objectives are:

PACES targets sports clubs and centres in underprivileged areas in Palestine, Jordan and Lebanon, and enrolls marginalized boys and girls living in these areas free of charge to join the after-school training sessions. To ensure inclusion, all children are provided with a uniform and sports shoes upon their enrolment in the program. PACES also provides sport clubs and centres with the needed equipment to conduct the sports program such as balls and cones; thus, transforming them into safe and inviting community venues.

PACES provides safe havens for children living in marginalized communities in which they learn key life skills that enable them to interact independently and confidently without fear or hesitation and assist them to improve their socio-emotional composite scale. The program also encourages children to go to school and to stay away from the streets and build friendships in a healthy manner.

PACES uses sports as a viable tool to issues like gender equality and women empowerment, and makes serious efforts to change the social norms so girls can equally benefit from the sports program like boys.

PACES contributes to alleviating unemployment in marginalized communities and refugee camps amongst youth by hiring them as coaches and assistant coaches, and improving their well-being and socio-economic level. In addition, coaches acquire technical and life skills from the different training programs offered; these skills increase their employability in the job market.

PACES runs its program through local partners consisting of sports clubs and centres in different areas in each country. The model is designed in a way to ensure maximum reach and impact on communities; once partner clubs reach an appropriate level of capacity and are able to implement programs, PACES redistributes its resources to establish new partnerships, while maintaining contact with previous partners to ensure that the programs already in place continue to deliver the after-school program to targeted children.

Activities and achievements

In early 2021, despite the continued uncertainty caused by the global pandemic and political instability in the region, PACES resumed its Sports for Development program in Palestine, Jordan, and Lebanon. A number of extra-curricular activities and capacity building activities were first introduced to re-engage with all beneficiaries, and later on in June, the sports training sessions fully resumed in Palestine and Jordan. The program targeted communities in Palestinian refugee camps and clusters, and most marginalized areas in 23 cities and governorates across Palestine, Jordan and Lebanon.

PACES' Sports for Development program targeted more than 4,000 boys and girls, 399 coaches and assistant coaches, and 85 local partners in 2021. After being on hold for over a year, the program focused on improving children's physical strength and technical skills and enhancing various life skills to help them adjust after a very challenging year. To achieve that, multiple trainings and workshops were given to coaches and local partners before the start of the program.

In 2021, PACES also introduced multiple extra-curricular activities to support its core Sports for Development program in Palestine, Jordan and Lebanon. Children were offered activities in the fields of culture, arts, music, language, leadership, gardening, technology, entrepreneurship and community work. A total of 1,375 children participated in 51 extra-curricular activities from the 3 countries.

PACES

Palestine Association for Children's Encouragement of Sports

Trustees' Annual Report (continued)

31 December 2021

Activities and achievements (continued)

PACES continued its community support in 2021 launched in 2020 as emergency response program. The projects targeted over 15,550 direct beneficiaries from all segments of society communities in Palestine, Jordan and Lebanon, and was carried out in partnership with local and international organizations and associations.

As usual, PACES established collaborative relationships with organizations and individuals who share the same goals and work towards serving local communities. The support, grants, and donations received go mainly towards the Sports for Development program, to enhance children and coaches' life skills and capacities.

Financial review

PACES raised approximately £2.2m (2020: £2.83m) in donations from individuals and organisations. Expenditure was £2.15m (2020: £2.66m) which is in line with the trustees' expectations. The charity has made a surplus of the year of £37k (2020: £163k). Donations were raised mainly by direct contact of the trustees with potential donors. The charity is aware of the need to protect potentially vulnerable donors and to follow the charity fundraising guidance published by the Charity Commission.

The charity had no complaints from donors in relation to its fundraising methods in the year.

The trustees are extremely grateful to all donors for their generous contributions.

Reserves policy

The charity holds total reserves of £715k at year end, of which £303k are free reserves, being total reserves less amounts invested in tangible fixed assets and investments. The trustees have established that the level of free reserves PACES ought to have to support the overall general running of the charity should be equal to at least three months' worth of fixed expenditure. The trustees consider this policy to be adequate and it is the charity's intention to build on this reserve to support its charitable activities in the long term.

Plans for future periods

PACES will continue its Sports for Development program in 2022, targeting more beneficiaries in the same geographic areas in Palestine and Jordan. The program will include 3,400 children 340 coaches and assistant coaches and 79 local partners. In Lebanon, PACES will continue its community support program in partnership with local and international organizations and associations, with hopes to resume the program which has been suspended due to political instability in the 3rd quarter of the year.

We aim to expand and develop our mobile coaching clinics that we will upgrade and enhance the coaching abilities of local coaches and trainers. We will continue to develop more partnerships with other NGOs that specialise in educational and social issues.

PACES
Palestine Association for Children's Encouragement of Sports
Trustees' Annual Report (continued)
31 December 2021

Statement of Trustees' Responsibilities

The trustees (who are also directors of PACES for the purposes 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 charitable company and of the incoming resources and application of resources including the income and expenditure of the charitable company for that period. In preparing these financial statements the trustees are required to:

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

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

In so far as the trustees are aware:

- a) there is no relevant audit information of which the Charitable company's auditors are unaware; and
- b) the trustees have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Trustees



.....
H A M Al Qattan

Trustee

Date: 19/05/2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PALESTINE ASSOCIATION FOR CHILDREN'S ENCOURAGEMENT OF SPORTS

Opinion

We have audited the financial statements of Palestine Association for Children's Encouragement of Sports ('the charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 Auditor's Responsibilities for the audit of 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 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 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.

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. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PALESTINE ASSOCIATION FOR CHILDREN'S ENCOURAGEMENT OF SPORTS

Opinions 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, 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.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PALESTINE ASSOCIATION FOR CHILDREN'S ENCOURAGEMENT OF SPORTS

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees;
- conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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 objectives of our audit in respect of fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- we obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation;
- we obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance;
- we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance;
- we enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations;
- based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PALESTINE ASSOCIATION FOR CHILDREN'S ENCOURAGEMENT OF SPORTS

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 24/05/2022

PACES
Palestine Association for Children's Encouragement of Sports
Statement of Financial Activities
For the year ended 31 December 2021

	Note	Unrestricted funds year ended 2021 £	Restricted funds year ended 2021 £	Total funds year ended 2021 £	Unrestricted funds year ended 2020 £	Restricted funds year ended 2020 £	Total funds year ended 2020 £
Income:							
Donations & gifts	2	2,183,277	-	2,183,277	2,825,892	-	2,825,892
Total Income		2,183,277	-	2,183,277	2,825,892	-	2,825,892
Expenditure on charitable activities:							
Cost of the operation of the charity		2,146,525	-	2,146,525	2,662,823	-	2,662,823
Total Expenditure	3	2,146,525	-	2,146,525	2,662,823	-	2,662,823
Net gains/(losses) on investments	6	-	-	-	-	-	-
Net Income/(expenditure)		36,752	-	36,752	163,069	-	163,069
Reconciliation of Funds							
Total funds brought forward at 1 January 2021		678,651	-	678,651	515,582	-	515,582
Total funds carried forward at 31 December 2021		715,403	-	715,403	678,651	-	678,651

The notes on pages 13 to 18 form part of these financial statements.

There were no recognised gains or losses other than those recognised above.

PACES
Palestine Association for Children's Encouragement of Sports
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed Assets			
Tangible fixed assets	5	38,605	50,235
Investments	6	373,430	373,430
		<u>412,035</u>	<u>423,665</u>
Current Assets			
Stock		36,815	-
Debtors	7	66,610	58,841
Cash at bank and in hand		313,893	389,384
		<u>417,318</u>	<u>448,225</u>
Creditors: Amounts falling due within one year	8	<u>(113,950)</u>	<u>(193,239)</u>
Net Current Assets / (Liabilities)		<u>303,368</u>	<u>135,127</u>
Net Assets		<u><u>715,403</u></u>	<u><u>515,582</u></u>
 Reserves			
Unrestricted funds	9	<u>715,403</u>	<u>515,582</u>
		<u><u>715,403</u></u>	<u><u>515,582</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 19/05/2022 and signed on its behalf by:



.....
H A M Al Qattan
Trustee

Date:

The notes on pages 13 to 18 form part of these financial statements.

Company No. 05840150

PACES

Palestine Association for Children's Encouragement of Sports Statement of Cash Flows as at 31 December 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash provided by / (used in) operating activities	<u>(66,211)</u>	<u>185,122</u>
Cash flows from investing activities		
Purchase of fixed assets	(9,280)	(66,351)
Purchase of fixed assets investments	-	-
Net cash used in investing activities	<u>(9,280)</u>	<u>(66,351)</u>
	(75,491)	118,771
Cash and cash equivalents at the beginning of the reporting period	389,384	270,613
Cash and cash equivalents at the end of the reporting period	<u>313,893</u>	<u>389,384</u>

Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period	36,752	163,069
Adjustments for:		
Investment gains/(losses)	-	-
Depreciation charges	20,910	23,141
Decrease in debtors	(7,769)	(9,405)
(Increase)/decrease in stock	(36,815)	165,860
Increase/(decrease) in creditors	(79,289)	(157,543)
Net cash provided by operating activities	<u>(66,211)</u>	<u>185,122</u>

Analysis of Cash and Cash Equivalents

	2021 £	2020 £
Cash in hand	313,893	389,384
Total cash and cash equivalents	<u>313,893</u>	<u>389,384</u>

Analysis of Changes in Net Debt

	At 01/01/2021	Cash flows	At 31/12/2021
Cash	389,384	(75,491)	313,893
Overdraft facility repayable on demand	(18)	18	-
	<u>389,366</u>	<u>(75,473)</u>	<u>313,893</u>

PACES

Palestine Association for Children's Encouragement of Sports

Notes to the Financial Statements

For the year ended 31 December 2021

1 Accounting Policies

Charity information

Palestine Association for Children's Encouragement of Sports is a company limited by guarantee incorporated and registered in England and Wales. The registered office is 3rd Floor, 20 King Street, London, RC2V 8EG.

1.1 Basis of preparation

The financial statements are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The charitable company is a public benefit entity for the purpose of FRS102 and therefore the charity's financial statements have been prepared in accordance with 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 (the FRS 102 Charities SORP) including Update Bulletin 2, the Companies Act 2006 and the Charities Act 2011.

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

The principal accounting policies, which are applied consistently, are set out below.

1.2 Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charitable company's forecasts and projections and have taken account of pressures on donation income. The founder of the charity H A M Al Qattan has confirmed he intends to continue to provide on-going support to the charity in the form of donations and/or writing off any loans made by him to the charity should it be necessary to enable the charity to meet its working capital commitments, and the level of support expected to be in line with transactions in recent years as disclosed in note 10. In making this assessment the trustees have considered the impact of Covid-19 on the ability of the charity to raise donations. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Income

Voluntary income and donations are accounted for when receivable.

Gifts in-kind are recognised when an equivalent amount has been expended. They are valued at the amount the Charity would have to pay in the open market for an equivalent item.

1.4 Expenditure

All expenses are accounted for on an accruals basis. Costs are allocated directly to the appropriate activity.

Expenditure incurred in connection with the specific objects of the charity is included under the heading charitable activities. Expenditure on Governance includes all costs relating to regulatory compliance and strategic direction of the charity.

1.5 Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction, the average rate being used as an approximation to this rate. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the statement of financial activities.

PACES
Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2021

1 Accounting Policies (continued)

1.6 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.

1.7 Fixed assets and depreciation

All fixed assets with a value over £500 are capitalised at cost, being their purchase cost together with any incidental expenses at acquisition, and depreciated to their estimated residual value over their estimated useful economic lives as follows:

Computer equipment	3 years straight line basis.
Fixtures & fittings	4 years straight line basis.
Leasehold improvements	4 years straight line basis.

1.8 Fixed assets investments

Investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.9 Stock

Stock represents kits and equipment for distribution as part of charitable activities. Stocks are stated at the lower of cost and net realisable value. Net realisable value is assessed not only in relation to 'selling' price but also with reference to the value in distribution to the beneficiaries in order to further the objects of the charity. Stock is expensed in the reporting period in which it is distributed.

1.10 Financial instruments

The company 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 charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

Basic financial liabilities

Basic financial liabilities, including trade and other payables 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.

1.11 Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

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

PACES
Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2021 (continued)

2 Income - Donations & gifts

During the year the Charity received donations of £2,183,277 (2020 - £2,825,892). £2,102,831 (2020 - £2,545,384) was received from individuals while £80,446 (2020 - £280,508) was received from organisations.

3 Total Resources Expended

	Staff Costs 2021 £	Other Costs 2021 £	Total 2021 £	Staff Costs 2020 £	Other Costs 2020 £	Total 2020 £
Charitable Activities:						
Coordinators' remuneration	36,000	-	36,000	154,960	-	154,960
Coaches' remuneration	637,101	-	637,101	936,341	-	936,341
Activities, sport kits and equipment	-	138,561	138,561	-	-	-
Travel, subsistence & accommodation	-	33,360	33,360	-	42,725	42,725
Other projects	-	1,029,641	1,029,641	-	1,238,510	1,238,510
Accountancy	-	4,583	4,583	-	5,605	5,605
Office costs, postage, printing & stationery	-	142,094	142,094	-	137,127	137,127
Telephone	-	10,106	10,106	-	13,122	13,122
Bank charges and interest	-	1,997	1,997	-	4,018	4,018
Training	-	7,969	7,969	-	8,997	8,997
(Profit) / loss on foreign exchange	-	5,355	5,355	-	29,514	29,514
Legal costs of running the charity	-	43,298	43,298	-	40,509	40,509
Depreciation (note 5)	-	20,910	20,910	-	23,141	23,141
AFC fees	-	21,330	21,330	-	13,409	13,409
Audit (excluding VAT)	-	12,450	12,450	-	12,150	12,150
Audit (irrecoverable VAT & under/(over) accrual provisions)	-	1,770	1,770	-	2,695	2,695
	<u>673,101</u>	<u>1,473,424</u>	<u>2,146,525</u>	<u>1,091,301</u>	<u>1,571,522</u>	<u>2,662,823</u>

The average number of staff employed during the year was 36 (2020 - 36).

Staff costs	2021	2020
<i>Staff on UK payroll</i>		
Wages and salaries	109,179	87,252
Social security costs	13,274	10,828
Pension costs	-	-
	<u>122,453</u>	<u>98,080</u>
Other salary costs	<u>1,152,376</u>	<u>993,221</u>
	<u>1,274,829</u>	<u>1,091,301</u>

During the year there were 2 employees whose remuneration exceeded £60,000:-

	2021	2020
£70,000 - £79,999	-	1
£80,000 - £89,999	-	-
£90,000 - £99,999	-	1
£100,000 - £109,999	1	-
£110,000 - £119,999	1	-

No trustees were reimbursed for expenses in 2021 (2020: nil).

The Charity considers its key management personnel to be its trustees. The total amount payable to key management personnel was £236,965 (2020: £154,960).

Transaction with trustees and other related parties are disclosed in note 10.

PACES
Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2021

4	Auditor's remuneration	2021	2020
		£	£
	Audit (excluding VAT)	12,450	11,600
	Other services (excluding VAT)	2,022	2,105
		<u>14,472</u>	<u>13,705</u>
5	Tangible fixed assets		
		Computer Equipment	Leasehold Improvements
		Fixtures & Fittings	2021 £
	Cost		
	At 1st January 2021	24,053	43,048
	Additions	6,642	-
	Disposals	-	-
		<u>30,695</u>	<u>43,048</u>
	At 31st December 2021	<u>30,695</u>	<u>43,048</u>
		<u>20,083</u>	<u>93,826</u>
	At 1st January 2021	19,188	10,762
	Charge for the year	5,127	10,762
	Deprecation on disposal	-	-
		<u>24,315</u>	<u>21,524</u>
	At 31st December 2021	<u>24,315</u>	<u>21,524</u>
		<u>9,382</u>	<u>55,221</u>
	Net Book Value		
	At 31st December 2021	<u>6,380</u>	<u>21,524</u>
	At 31st December 2020	<u>4,865</u>	<u>32,286</u>
		<u>13,084</u>	<u>50,235</u>
6	Investments	2021	2020
		£	£
	Brought forward	373,430	373,430
	Additions	-	-
	Disposals	-	-
	Unrealised gains/(losses)	-	-
		<u>373,430</u>	<u>373,430</u>
	Carried forward	<u>373,430</u>	<u>373,430</u>

PACES
Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2021

7 Debtors	2021	2020
	£	£
Gift aid	56,308	45,806
Prepayments	7,662	10,465
Other debtors	2,640	2,570
	<u>66,610</u>	<u>58,841</u>
	<u><u>66,610</u></u>	<u><u>58,841</u></u>
8 Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	3,705	8,888
Accruals	74,065	26,998
Bank overdraft	-	18
Taxation and social security creditors	3,644	2,786
Grants payable	32,536	154,549
Amounts due to Trustee for loan (note 10)	-	-
	<u>113,950</u>	<u>193,239</u>
	<u><u>113,950</u></u>	<u><u>193,239</u></u>

PACES
Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2021

9 Unrestricted Funds

	1 January 2021 £	Incoming Resources £	Resources Expended £	31 December 2021 £
General Fund	678,651	2,183,277	(2,146,525)	715,403
Total Unrestricted Funds	<u>678,651</u>	<u>2,183,277</u>	<u>(2,146,525)</u>	<u>715,403</u>
	1 January 2020 £	Incoming Resources £	Resources Expended £	31 December 2020 £
General Fund	515,582	2,825,892	(2,662,823)	678,651
Total Unrestricted Funds	<u>515,582</u>	<u>2,650,980</u>	<u>(2,426,545)</u>	<u>678,651</u>

10 Related Party Transactions

H A M Al Qattan (trustee) loaned the charity £nil (2020: £nil) and donated £1,754,299 (2020 - £1,510,324) in the year. The amount due to the H A M Al Qattan at the balance sheet date was £nil (2020 - £nil).

The charity's trustee Haya Qadoumi received remuneration of £109,179 (2020: £87,252) during the year. The charity's trustee Nahed Ahmad Abusneneh received remuneration of £114,512 (2020: £56,880) during the year.

No other trustee received any remuneration in the financial year.

11 Members liability

The charitable Company is limited by guarantee and each of the members is bound to contribute a sum not exceeding £10 as may be required, in the event of the winding up of the Charity.

12 Taxation

As a charity, Palestine Association for Children's Encouragement of Sports is exempt on income and gains falling within Section 466-493 of the Corporation Tax Act 2010 to the extent that they are derived from charitable activities.

13 Capital Commitments

There were no capital commitments not provided for in the financial statements for the year ended 31 December 2021 (2020: nil)

PALESTINE ASSOCIATION FOR CHILDRENS ENCOURAGEMENT OF SPORTS

England & Wales - Charity number 1117085

Accounts



**Palestine Association for Children's Encouragement of Sports
(A company limited by guarantee)**

**Charity No. 1117085
Company No. 05840150**

**TRUSTEES ANNUAL REPORT &
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
For the Year Ended 31 December 2020**

PACES
Palestine Association for Children's Encouragement of
Sports
Year ended 31 December 2020
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PACES
Palestine Association for Children's Encouragement of
Sports
Trustees' Annual Report
31 December 2020

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2020.

In this report we will refer to the Palestine Association for Children's Encouragement of Sports as "PACES".

Reference and administrative details

Company Number: 05840150

Charity Number: 1117085

Registered Office: 10 6th Floor
10 Aldersgate Street
London
EC1A 4HJ

Directors and Trustees: H A M Al Qattan
Nahed Ahmad Abusneneh
Dr M Barakat
Ghassan Nuqul
Haya M Qadoumi
Helen Al Uzaizi

Secretary: Sookias Legal Services Limited

Principal Bankers: Arab Bank Plc
Mayfair
London
SE10 9EL

Arab Bank
Al Balad Branch
PO Box 1481
Ramallah
Palestine

Auditors: Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Solicitors: Sookias & Sookias
6th Floor Napier House
24 High Holborn
London
WC1V 6AZ

PACES

Palestine Association for Children's Encouragement of Sports

Trustees' Annual Report

31 December 2020

Structure, Governance and Management

Governing document

PACES is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 June 2006 and last amended on 5 April 2007 and is a registered as a charity with the Charity Commission. New membership is open to individuals and organisations interested in promoting the objects of the charity provided their application is approved by the trustees and the register of members is then duly signed. There is currently one member who agrees to pay up to £10 towards the costs of dissolution in the event of the charity winding up.

Appointment of trustees, induction and training

New trustees are appointed by existing trustees. One third (or the number nearest one third) of the trustees must retire at each AGM, those longest in office retiring first and the choice between any of equal service being made by drawing lots. A retiring trustee who remains qualified may be reappointed. The trustees have learned the duties as trustees through information obtained from external consultants and the charity commission, and are responsible for the induction and training of new trustees.

Organisation

The board of trustees administers the charity. The board meets quarterly but there are also regular email and telephone discussions by the board of trustees on an informal basis.

The day to day operations of the charity are managed by two of the trustees; Nahed Abu Sneineh and Haya Qadoumi. Nahed is based in Palestine and Haya in the UK and both often travels to Palestine, Jordan and Lebanon to arrange charitable activities and develop working relationships with organisations on behalf of the charity, and to meet with individuals and corporations in order to raise funds for the charity.

In addition to this H A M Al Qattan develops working relationships with organisations on behalf of the charity, and meets with individuals and corporations in order to raise funds for the charity.

Activities in Palestine, Jordan and Lebanon are supervised by 30 (2019: 28) full-time employees and 6 (2019: 9) part-time employees who coordinate activities with clubs and between over six hundred sporting and volunteer coaches.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks. The trustees regularly review these policies to ensure they are both up to date and effective. The trustees have considered the Covid-19 pandemic as a risk into the 2021 financial year, which is explained more fully in plans for future periods section in the Trustee Report.

Objectives and activities and how our activities deliver public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006, to have due regard to the Charity Commission's general guidance on public benefit.

The objects of the charity are:

- To provide sporting facilities and playing fields in the interest of social welfare for Palestinian children and young people living anywhere in the world in order to improve the children's conditions of life and to advance their education.
- To promote healthy recreation to Palestinian children and young people living anywhere in the world through the provision of sporting and coaching facilities.
- To promote the health and education of Palestinian children and young people living anywhere in the

PACES

Palestine Association for Children's Encouragement of Sports Trustees' Annual Report (continued)

31 December 2020

Objectives and activities and how our activities deliver public benefit (continued)

The main objectives for the year continue to be the provision of sporting facilities, programs and activities, and healthy recreation of Palestinian children and young people anywhere in the world.

The strategies employed to achieve the charity's objectives are:

- To offer children, on a first-come first-served basis, the opportunity to participate in our programmes at the clubs that we support in sixty-nine different locations from Jenin in the North to Gaza in the south, and at thirty-eight locations in Lebanon and Jordan. Our programmes were expanded and made more profound by the inclusion of talks to the children about social issues ranging from work-ethic, community service, hygiene, children's rights, music and the importance of academic achievement. For the older children we have added a new component: vocational training.
- To provide coaching clinics to those coaches involved in our programmes so that their abilities are improved in the hope and expectation that they will provide better coaching to the children. These clinics develop the coaches' technical abilities, along with teaching how to be better mentors and teachers. We held many workshops, for football and basketball, during which our head coaches provided intensive hands-on instructional training.
- To upgrade existing sports facilities.
- To enrol children in tournaments and clinics in Europe as means of further developing their talent and skills, and to expose them to a different culture from which they would learn: in 2007 a team of 10 boys went to Italy for a mini basketball tournament. The impact of this trip was so positive that in 2008 we took another team to Italy and two to Norway where the children's achievements surpassed all expectations. In 2009 and 2010, we took four teams to Norway and in 2010 we also took two teams to France. The teams that we took to Europe in 2010 performed very well and we took two more teams to France in the summer 2011. In 2012 we took six teams to Sweden and Austria. For 2013, we postponed plans to take team to Europe due to Ramadan falling at the same time as the tournaments, but have taken teams to Norway in July 2016 and again in July 2017. We will do so again in the summer of 2018. For 2019, we postponed attending the Norway Cup and instead organized PACES first Regional Tournament in Jordan in October of 2019 bringing together over 100 children from Palestine, Jordan, and Lebanon, in addition to their coaches and PACES staff and supporters. We did not have enough resources to plan and deliver both activities (Regional Tournament & Norway Cup) during one cycle.

Activities and achievements

The main areas of activities were sports programmes and projects in Palestine.

Our 14th program cycle was suspended due the Corona virus, but instead of sitting and doing nothing, we launched two initiatives; The Corona Emergency Response and the Beirut August 4th Port Explosion. Through these two initiatives we supported over 108,000 people with food, protective gear, shelters, medical supplies and employment. With the risks now abating, we are slowly mobilizing to start our sports programs.

Our donor base of individuals and institutions continues to expand despite the global and regional economic and political situations.

We continued to forge long-term partnerships with notable non-governmental organisations and clubs. Furthermore, we continued to expand both our donor-base of individuals and institutions who generously supported us.

PACES

Palestine Association for Children's Encouragement of Sports Trustees' Annual Report (continued)

31 December 2020

Financial review

PACES raised approximately £2.83m (2019: £2.65m) in donations from individuals and organisations. Expenditure was £2.66m (2019: £2.43m) which is in line with the trustees' expectations. The charity has made a surplus of the year of £163k (2019: £224k). Donations were raised mainly by direct contact of the trustees with potential donors. The charity is aware of the need to protect potentially vulnerable donors and to follow the charity fundraising guidance published by the Charity Commission.

The charity is not aware of any complaints from donors in relation to its fundraising methods in the year.

The trustees are extremely grateful to all donors for their generous contributions.

Reserves policy

The charity holds total reserves of £679k at year end, of which £255k are free reserves, being total reserves less amounts invested in tangible fixed assets and investments. The trustees have established that the level of free reserves PACES ought to have to support the overall general running of the charity should be equal to at least three months' worth of fixed expenditure. The trustees consider this policy to be adequate and it is the charity's intention to build on this reserve to support its charitable activities in the long term.

Plans for future periods

2021 will be an unusual year; we will launch our sports program while continuing with our two emergency response initiatives. The sports program will start small with an eye on any spikes in the cases. We hope to be in full-swing by early 2022. PACES had aimed to expand its programmes in 2020 and 2021 to include more clubs in a larger geographic area of Palestine. It was hoped that our programmes will expand to include other locations in Palestine and expand of the programs in Lebanon and in Jordan. Due to the coronavirus (Covid-19) situation, PACES has currently suspended the program.

The impact of Covid-19 has been considered on the charity's future plans and budgeting processes and the effect of the outbreak will be a significant risk into the December 2021 year end. The effect on this year's financial statements has been considered by the trustees throughout this report.

We aim to expand and develop our mobile coaching clinics that we will upgrade and enhance the coaching abilities of local coaches and trainers. We will continue to develop more partnerships with other NGOs that specialise in educational and social issues.

Statement of Trustees' Responsibilities

The trustees (who are also directors of PACES for the purposes 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 charitable company and of the incoming resources and application of resources including the income and expenditure of the charitable company for that period. In preparing these financial statements the trustees are required to:

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

PACES
Palestine Association for Children's Encouragement of Sports
Trustees' Annual Report (continued)
31 December 2020

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

In so far as the trustees are aware:

- a) there is no relevant audit information of which the Charitable company's auditors are unaware; and
- b) the trustees have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Trustees



.....
H A M Al Qattan
Trustee

Date: 14/05/2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PALESTINE ASSOCIATION FOR CHILDREN'S ENCOURAGEMENT OF SPORTS

Opinion

We have audited the financial statements of Palestine Association for Children's Encouragement of Sports ('the charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 2020 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 Auditor's Responsibilities for the audit of 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 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 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.

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. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PALESTINE ASSOCIATION FOR CHILDREN'S ENCOURAGEMENT OF SPORTS

Opinions 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, 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.

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PALESTINE ASSOCIATION FOR CHILDREN'S ENCOURAGEMENT OF SPORTS

implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- we obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation;
- we obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance;
- we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance;
- we enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations;
- based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees;
- conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PALESTINE ASSOCIATION FOR CHILDREN'S ENCOURAGEMENT OF SPORTS

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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 17/05/2021

PACES
Palestine Association for Children's Encouragement of Sports
Statement of Financial Activities
For the year ended 31 December 2020

Note	Unrestricted funds year ended 2020 £	Restricted funds year ended 2020 £	Total funds year ended 2020 £	Unrestricted funds year ended 2019 £	Restricted funds year ended 2019 £	Total funds year ended 2019 £
Income:						
Donations & gifts	2,825,892	-	2,825,892	2,650,980	-	2,650,980
Total Income	2,825,892	-	2,825,892	2,650,980	-	2,650,980
Expenditure on charitable activities:						
Cost of the operation of the charity	2,662,823	-	2,662,823	2,426,545	-	2,426,545
Total Expenditure	2,662,823	-	2,662,823	2,426,545	-	2,426,545
Net gains/(losses) on investments	-	-	-	-	-	-
Net Income/(expenditure)	163,069	-	163,069	224,435	-	224,435
Reconciliation of Funds						
Total funds brought forward at 1 January 2020	515,582	-	515,582	291,147	-	291,147
Total funds carried forward at 31 December 2020	678,651	-	678,651	515,582	-	515,582

The notes on pages 13 to 18 form part of these financial statements.


There were no recognised gains or losses other than those recognised above.

PACES
Palestine Association for Children's Encouragement of Sports
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed Assets			
Tangible fixed assets	5	50,235	7,025
Investments	6	<u>373,430</u>	<u>373,430</u>
		423,665	380,455
Current Assets			
Debtors	7	58,841	49,436
Cash at bank and in hand		389,384	270,613
Stock		<u>-</u>	<u>165,860</u>
		448,225	485,909
Creditors: Amounts falling due within one year	8	<u>(193,239)</u>	<u>(350,782)</u>
Net Current Assets / (Liabilities)		<u>254,986</u>	<u>135,127</u>
Net Assets		<u><u>678,651</u></u>	<u><u>515,582</u></u>
Reserves			
Unrestricted funds	9	<u>678,651</u>	<u>515,582</u>
		<u><u>678,651</u></u>	<u><u>515,582</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

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



H A M Al Qattan
 Trustee

Date: 14/05/2021

The notes on pages 13 to 18 form part of these financial statements.

Company No. 05840150

PACES
Palestine Association for Children's Encouragement of Sports
Statement of Cash Flows as at 31 December 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net cash provided by / (used in) operating activities	<u>185,122</u>	<u>134,416</u>
Cash flows from investing activities		
Purchase of fixed assets	(66,351)	(2,879)
Purchase of fixed assets investments	-	(373,430)
Net cash used in investing activities	<u>(66,351)</u>	<u>(376,309)</u>
	118,771	(241,893)
Cash and cash equivalents at the beginning of the reporting period	270,613	512,506
Cash and cash equivalents at the end of the reporting period	<u>389,384</u>	<u>270,613</u>

Reconciliation of net expenditure to net cash flow from operating activities

	2020	2019
	£	£
Net income for the reporting period	163,069	224,435
Adjustments for:		
Investment gains/(losses)	-	-
Depreciation charges	23,141	6,065
Decrease in debtors	(9,405)	1,632
(Increase)/decrease in stock	165,860	(165,860)
Increase/(decrease) in creditors	(157,543)	68,144
Net cash provided by operating activities	<u>185,122</u>	<u>134,416</u>

Analysis of Cash and Cash Equivalents

	2020	2019
	£	£
Cash in hand	389,384	270,613
Total cash and cash equivalents	<u>389,384</u>	<u>270,613</u>

Analysis of Changes in Net Debt

	At	At	At	At
	01/01/2020	Cash flows	31/12/2020	31/12/2020
Cash	270,613	118,771	389,384	389,384
Overdraft facility repayable on demand	(86,231)	86,213	(18)	(18)
	<u>184,382</u>	<u>204,984</u>	<u>389,366</u>	<u>389,366</u>

PACES

Palestine Association for Children's Encouragement of Sports

Notes to the Financial Statements

For the year ended 31 December 2020

1 Accounting Policies

Charity information

Palestine Association for Children's Encouragement of Sports is a company limited by guarantee incorporated and registered in England and Wales. The registered office is 10 6th Floor, 10 Aldersgate Street, London, EC1A 4HJ.

1.1 Basis of preparation

The financial statements are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The charitable company is a public benefit entity for the purpose of FRS102 and therefore the charity's financial statements have been prepared in accordance with 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 (the FRS 102 Charities SORP) including Update Bulletin 2, the Companies Act 2006 and the Charities Act 2011.

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

The principal accounting policies, which are applied consistently, are set out below.

1.2 Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charitable company's forecasts and projections and have taken account of pressures on donation income. The founder of the charity H A M Al Qattan has confirmed he intends to continue to provide on-going support to the charity in the form of donations and/or writing off any loans made by him to the charity should it be necessary to enable the charity to meet its working capital commitments, and the level of support expected to be in line with transactions in recent years as disclosed in note 10. In making this assessment the trustees have considered the impact of Covid-19 on the ability of the charity to raise donations. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Income

Voluntary income and donations are accounted for when receivable.

Gifts in-kind are recognised when an equivalent amount has been expended. They are valued at the amount the Charity would have to pay in the open market for an equivalent item.

1.4 Expenditure

All expenses are accounted for on an accruals basis. Costs are allocated directly to the appropriate activity.

Expenditure incurred in connection with the specific objects of the charity is included under the heading charitable activities. Expenditure on Governance includes all costs relating to regulatory compliance and strategic direction of the charity.

1.5 Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction, the average rate being used as an approximation to this rate. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the statement of financial activities.

PACES

Palestine Association for Children's Encouragement of Sports

Notes to the Financial Statements

For the year ended 31 December 2019

1 Accounting Policies (continued)

1.6 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.

1.7 Fixed assets and depreciation

All fixed assets with a value over £500 are capitalised at cost, being their purchase cost together with any incidental expenses at acquisition, and depreciated to their estimated residual value over their estimated useful economic lives as follows:

Computer equipment	3 years straight line basis.
Fixtures & fittings	4 years straight line basis.
Leasehold improvements	4 years straight line basis.

1.8 Fixed assets investments

Investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.9 Stock

Stock represents kits and equipment for distribution as part of charitable activities. Stocks are stated at the lower of cost and net realisable value. Net realisable value is assessed not only in relation to 'selling' price but also with reference to the value in distribution to the beneficiaries in order to further the objects of the charity. Stock is expensed in the reporting period in which it is distributed.

1.10 Financial instruments

The company 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 charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

Basic financial liabilities

Basic financial liabilities, including trade and other payables 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.

1.11 Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

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

PACES
Palestine Association for Children's Encouragement of
Sports
Notes to the Financial Statements
For the year ended 31 December 2020 (continued)

2 Income - Donations & gifts

During the year the Charity received donations of £2,825,892 (2019 - £2,650,980). £2,545,384 (2019 - £2,573,180) was received from individuals while £280,508 (2019 - £77,800) was received from organisations.

3 Total Resources Expended

	Staff Costs 2020 £	Other Costs 2020 £	Total 2020 £	Staff Costs 2019 £	Other Costs 2019 £	Total 2019 £
Charitable Activities:						
Coordinators' remuneration	154,960	-	154,960	155,278	-	155,278
Other remuneration	936,341	-	936,341	1,433,339	-	1,433,339
Sport kits and equipment	-	-	-	-	37,251	37,251
Travel, subsistence and accommodation	-	42,725	42,725	-	94,914	94,914
Other projects	-	1,238,510	1,238,510	-	431,068	431,068
Accountancy expenses	-	5,605	5,605	-	5,830	5,830
Office costs, postage, printing stationery	-	137,127	137,127	-	125,528	125,528
Telephone	-	13,122	13,122	-	14,904	14,904
Bank charges and interest	-	4,018	4,018	-	19,306	19,306
Training	-	8,997	8,997	-	16,156	16,156
(Profit) / loss on foreign exchange	-	29,514	29,514	-	30,112	30,112
Legal costs of running the charity	-	40,509	40,509	-	42,378	42,378
Depreciation (note 5)	-	23,141	23,141	-	6,065	6,065
AFC fees	-	13,409	13,409	-	-	-
Audit (excluding VAT)	-	12,150	12,150	-	11,580	11,580
Audit (irrecoverable VAT and under/(over) accrual provisions)	-	2,695	2,695	-	2,836	2,836
	<u>1,091,301</u>	<u>1,571,522</u>	<u>2,662,823</u>	<u>1,588,617</u>	<u>837,928</u>	<u>2,426,545</u>

The average number of staff employed during the year was 36 (2019 - 36).

Staff costs	2020	2019
<i>Staff on UK payroll</i>		
Wages and salaries	87,252	66,520
Social security costs	10,828	7,698
Pension costs	-	586
	<u>98,080</u>	<u>74,804</u>
Other salary costs	<u>993,221</u>	<u>1,513,813</u>
	<u>1,091,301</u>	<u>1,588,617</u>

During the year there was 2 employees whose remuneration exceeded £60,000:-

	2020	2019
£70,000 - £79,999	1	1
£80,000 - £89,999	-	-
£90,000 - £99,999	1	-

No trustees were reimbursed for expenses in 2020 (2019: nil)

The Charity considers its key management personnel to be its trustees. Transactions with trustees and other related parties are disclosed in note 10.

PACES
Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2020

4 Auditor's remuneration		2020	2019		
		£	£		
	Audit (excluding VAT)	11,600	11,280		
	Other services (excluding VAT)	2,105	1,940		
		<u>13,705</u>	<u>13,220</u>		
5 Tangible fixed assets			2020		
	Computer Equipment	Leasehold Improvements	Fixtures & Fittings	£	
Cost					
	At 1st January 2020	18,195	-	-	18,195
	Additions	5,858	43,048	17,445	66,351
	Disposals	-	-	-	-
	At 31st December 2020	<u>24,053</u>	<u>43,048</u>	<u>17,445</u>	<u>84,546</u>
	At 1st January 2020	11,170	-	-	11,170
	Charge for the year	8,018	10,762	4,361	23,141
	Depreciation on disposal	-	-	-	-
	At 31st December 2020	<u>19,188</u>	<u>10,762</u>	<u>4,361</u>	<u>34,311</u>
	Net Book Value				
	At 31st December 2020	<u>4,865</u>	<u>32,286</u>	<u>13,084</u>	<u>50,235</u>
	At 31st December 2019	<u>7,025</u>	-	-	<u>7,025</u>
6 Investments		2020	2019		
		£	£		
	Brought forward	373,430	-		
	Additions	-	373,430		
	Disposals	-	-		
	Unrealised gains/(losses)	-	-		
	Carried forward	<u>373,430</u>	<u>373,430</u>		

PACES
Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2020

7 Debtors	2020	2019
	£	£
Gift aid	45,806	31,901
Prepayments	10,465	11,904
Other debtors	2,570	5,631
	<u>58,841</u>	<u>49,436</u>
8 Creditors: amounts falling due within one year	2020	2019
	£	£
Trade creditors	8,888	63,308
Accruals	26,998	198,210
Bank overdrafts	18	86,231
Taxation and social security creditors	2,786	3,033
Grants payable	154,549	-
Amounts due to Trustee for loan (note 10)	-	-
	<u>193,239</u>	<u>350,782</u>

PACES
Palestine Association for Children's Encouragement of Sports
Notes to the Financial Statements
For the year ended 31 December 2020

9 Unrestricted Funds

	1 January 2020	Incoming Resources	Resources Expended	31 December 2020
	£	£	£	£
General Fund	515,582	2,825,892	(2,662,823)	678,651
Total Unrestricted Funds	<u>515,582</u>	<u>2,825,892</u>	<u>(2,662,823)</u>	<u>678,651</u>
	1 January 2019	Incoming Resources	Resources Expended	31 December 2019
	£	£	£	£
General Fund	291,147	2,650,980	(2,426,545)	515,582
Total Unrestricted Funds	<u>291,147</u>	<u>2,650,980</u>	<u>(2,426,545)</u>	<u>515,582</u>

10 Related Party Transactions

H A M Al Qattan (trustee) loaned the charity nil (2019: £nil) and donated £1,510,324 (2019 - £2,084,354) in the year. The amount due to the H A M Al Qattan at the balance sheet date was £nil (2019 - £nil).

The charity's trustee Haya Qadoumi received remuneration of £87,252 (2019: £66,520) during the year. The charity's trustee Nahed Ahmad Abusneneh received remuneration of £56,880 (2019: £57,603) during the year.

No other trustee received any remuneration in the financial year.

11 Members liability

The charitable Company is limited by guarantee and each of the members is bound to contribute a sum not exceeding £10 as may be required, in the event of the winding up of the Charity.

12 Taxation

As a charity, Palestine Association for Children's Encouragement of Sports is exempt on income and gains falling within Section 466-493 of the Corporation Tax Act 2010 to the extent that they are derived from charitable activities.

13 Capital Commitments

There were no capital commitments not provided for in the financial statements for the year ended 31 December 2020 (2019: nil)