



**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 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 (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 £
<b>Income:</b>							
Donations & gifts	2	1,954,178	-	1,954,178	2,183,277	-	2,183,277
<b>Total Income</b>		<u>1,954,178</u>	<u>-</u>	<u>1,954,178</u>	<u>2,183,277</u>	<u>-</u>	<u>2,183,277</u>
<b>Expenditure on charitable activities:</b>							
Cost of the operation of the charity		2,026,032	-	2,026,032	2,146,525	-	2,146,525
<b>Total Expenditure</b>	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>
<b>Net gains/(losses) on investments</b>	6	15,208	-	15,208	-	-	-
<b>Net Income/(expenditure)</b>		(56,646)	-	(56,646)	36,752	-	36,752
<b>Reconciliation of Funds</b>							
Total funds brought forward at 1 January 2022		<u>715,403</u>	<u>-</u>	<u>715,403</u>	<u>678,651</u>	<u>-</u>	<u>678,651</u>
<b>Total funds carried forward at 31 December 2022</b>		<u><b>658,757</b></u>	<u><b>-</b></u>	<u><b>658,757</b></u>	<u><b>715,403</b></u>	<u><b>-</b></u>	<u><b>715,403</b></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 £
<b>Fixed Assets</b>			
Tangible fixed assets	5	21,584	38,605
Investments	6	388,638	373,430
		<u>410,222</u>	<u>412,035</u>
<b>Current Assets</b>			
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>
<b>Creditors: Amounts falling due within one year</b>	8	<u>(106,834)</u>	<u>(113,950)</u>
<b>Net Current Assets / (Liabilities)</b>		<u>248,535</u>	<u>303,368</u>
<b>Net Assets</b>		<u><u>658,757</u></u>	<u><u>715,403</u></u>
 <b>Reserves</b>			
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 £
<b>Cash flows from operating activities</b>		
Net cash provided by / (used in) operating activities	(29,478)	(66,211)
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(4,393)	(9,280)
Purchase of fixed assets investments	-	-
<b>Net cash used in investing activities</b>	(4,393)	(9,280)
	(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	280,022	313,893

#### Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net income for the reporting period	(56,646)	36,752
<b>Adjustments for:</b>		
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	(29,478)	(66,211)

#### Analysis of Cash and Cash Equivalents

	2022 £	2021 £
Cash in hand	280,022	313,893
Total cash and cash equivalents	280,022	313,893

#### Analysis of Changes in Net Debt

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

# **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, EC2V 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.

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**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.



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**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**

	<b>Staff Costs 2022 £</b>	<b>Other Costs 2022 £</b>	<b>Total 2022 £</b>	<b>Staff Costs 2021 £</b>	<b>Other Costs 2021 £</b>	<b>Total 2021 £</b>
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).

<b>Staff costs</b>	<b>2022</b>	<b>2021</b>
<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:-

	<b>2022</b>	<b>2021</b>
£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.

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<b>4 Auditor's remuneration</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
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**

	<b>Computer Equipment</b>	<b>Leasehold Improvements</b>	<b>Fixtures &amp; Fittings</b>	<b>2022 £</b>
<b>Cost</b>				
At 1st January 2022	30,695	43,048	20,083	93,826
Additions	4,393	-	-	4,393
Disposals	-	-	-	-
	<u>35,088</u>	<u>43,048</u>	<u>20,083</u>	<u>98,219</u>
At 31st December 2022				
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	-	-	-	-
	<u>29,946</u>	<u>32,286</u>	<u>14,403</u>	<u>76,635</u>
At 31st December 2022				
<b>Net Book Value</b>				
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>

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

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<b>7 Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
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>
 <b>8 Creditors: amounts falling due within one year</b>		
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
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
<b>Total Unrestricted Funds</b>	<b>715,403</b>	<b>1,954,178</b>	<b>(2,010,824)</b>	<b>658,757</b>

  

	1 January 2021 £	Income £	Expenditure £	31 December 2021 £
General Fund	678,651	2,183,277	(2,146,525)	715,403
<b>Total Unrestricted Funds</b>	<b>515,582</b>	<b>2,650,980</b>	<b>(2,426,545)</b>	<b>715,403</b>

#### 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)