



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
Contents

	Page
Legal and Administrative Information	1
Trustees' Annual Report	2 - 5
Auditors' Report	6 - 9
Statement of Financial Activities	10
Balance Sheet	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 - 18

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>548,611</u>	<u>-</u>	<u>548,611</u>	<u>658,757</u>	<u>-</u>	<u>658,757</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)	156,488

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 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 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
					<u> </u>
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
					<u> </u>
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				2023	2022
				£	£
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>
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>

Palestine Association for Children's Encouragement of Sport

Notes to the Financial Statements

For the year ended 31 December 2023

9 Unrestricted Funds

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

	1 January 2022 £	Income £	Expenditure £	31 December 2022 £
General Fund	715,403	1,954,178	(2,010,824)	658,757
Total Unrestricted Funds	715,403	1,954,178	(2,010,824)	658,757

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.