THE GALILEE FOUNDATION

England & Wales · Charity number 1118966

Details

Status	Registered
Legal form	Charitable company
Company number	06037771
Registered	2007-04-26
Register	View on the Charity Commission register

Contact

Address	I Gough Square London EC4A 3DE
Phone	02079938355
Email	admin@galileefoundation.org.uk
Website	www.galileefoundation.org.uk

Activities

Objects: (1) TO ADVANCE THE EDUCATION AT ALL LEVELS OF ARABS IN OR LIVING IN ISRAEL AND THE PALESTINIAN TERRITORIES, REGARDLESS OF GENDER OR FAITH, IN PARTICULAR BUT NOT EXCLUSIVELY BY ORGANISING AND ENCOURAGING EDUCATION, CULTURE, HERITAGE, ART, SCIENCE AND RESEARCH INITIATIVES;(2) TO RELIEVE THE POVERTY OF ARABS IN OR LIVING IN ISRAEL AND THE PALESTINIAN TERRITORIES, REGARDLESS OF GENDER OR FAITH, IN PARTICULAR BUT NOT EXCLUSIVELY BY THE PROVISION OF ADVICE, TRAINING AND SUPPORT.

Activities: To relieve poverty and advance the education of Palestinians living in Israel & the Palestinian Territories, regardless of gender or faith, in particular but not exclusively by promoting culture, heritage, art, science and research initiatives by the provision of training, advice and support.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Sponsors Or Undertakes Research
- **What:** Education/training, The Prevention Or Relief Of Poverty, Arts/culture/heritage/science
- **Who:** Children/young People, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies

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Geography

- **Area of benefit:** ISRAEL
- Israel
- Occupied Palestinian Territories
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£3,009,983	£2,306,886	£4,694,966	4
2023-08-31	£1,932,961	£1,352,791	£4,135,860	4
2022-08-31	£623,232	£910,843	£3,822,081	3
2021-08-31	£875,076	£995,005	£3,651,710	3
2020-08-31	£1,137,367	£972,668	£3,742,547	2

Trustees

Name	Role	Appointed
Dr Katherine Bucknell Maguire		2022-04-28
Dr MARWAN BISHARA		
Khalil Jahshan		2016-03-01
LEILA GARADAGHI		
SAWSAN ASFARI		
YOUSEF SALAH BAZIAN		2012-12-07

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THE GALILEE FOUNDATION

England & Wales - Charity number 1118966

Accounts

Company number: 06037771
Charity number: 1118966

The Galilee Foundation

Report and financial statements

For the year ended 31 August 2024

The Galilee Foundation is registered in England and Wales under

Charity Commission number 1118966 and Companies House number 06037771

Address: 1 Gough Square, London, EC4A 3DE, UK

Telephone: +44 20 7993 8355 Email: info@galileefoundation.org.uk

www.galileefoundation.org.uk

The Galilee Foundation

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The Galilee Foundation

Reference and administrative information

For the year ended 31 August 2024

Company number	06037771
Charity number	1118966
Registered office and operational address	The Galilee Foundation 1 Gough Square, London, EC4A 3DE United Kingdom
Country of registration	England & Wales
Country of incorporation	United Kingdom
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Marwan Bishara Sawsan Asfari Ms Leila Garadaghi Yousef Bazian Khalil Jahshan Eyad Mahameed (resigned April 2024) Katherine Bucknell
Advisory Board	Advisers do not have any formal legal responsibilities. The advisers who only offer advice and support are as follows: David Freeman — Legal adviser Dina Bseisu — Adviser
Key Management personnel	Marwan Bishara — Chairman Sawsan Asfari — Executive Director Maha Al Farra — Managing Director
Bankers	Europe Arab Bank plc 35 Park Lane Mayfair London W1K 1RB Metro Bank One Southhampton Row London, WC1B 5HA

Accountant	Treganna's Consultancy 175 Chatsworth Road London NW2 5QS
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors 110 Golden Lane London EC1Y 0TG

The trustees present their report and the audited financial statements for the year ended 31 August 2024.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Trustees and organisational structure

Trustees of the Galilee Foundation serve until they stand down. New trustees are nominated to fill specific gaps identified by the Trustees. When new Trustees are appointed, they are provided with the information they need to fulfil their roles, which includes information about the role of Trustees and charity law. Trustees receive updates, progress reports and publications on a regular basis.

The Trustees currently meet virtually twice yearly to govern and monitor the progress of the Charity. They are also in touch regularly on email and video conference calls. The policies and procedures are reviewed and updated regularly. The Trustees delegate the day-to-day running of the charity to the Foundation's office in London. The Trustees confirm that they have complied with the Charities Act 2006

Maha Al Farra, the Managing Director, Dianne Woodward, administrative officer and Clare Roberts, Grants officer continued in their roles. Layla Assam, Fundraising Officer resigned in January 2024. The Foundation's contract with Ghada Maisury, Trusts and Foundations Consultant, was not renewed at the end of August 2024 by mutual agreement and the role of Communications Officer was made redundant in April 2024 due to the board deciding to restructure roles. The employees' work has been overseen by the Co-Founder, Executive Director and Trustee Sawsan Asfari. Treganna's Consultancy continues to oversee and manage the Foundation's finances on a monthly basis. Marwan Bishara, Chairman and Co-Founder, also lends support via a monthly Zoom meeting with the office team.

Grant making policy

The Foundation receives project proposals, however its current projects have been solicited and developed together with the partner organisations. The Foundation drafts agreements that specify the responsibilities of its partners and the schedule of reporting. Partners are required to submit narrative and financial reports at least once per year. Our Managing Director and Grants officer both have had regular meetings with partners to monitor progress. For sustainability of projects' achievements, the Foundation seeks to develop longstanding partnerships while maintaining rigorous monitoring and evaluation procedures.

Partner Due Diligence

We have been strengthening our partner due diligence framework since the introduction of GF's formal policy document in 2019. We now require initial operational and financial assessments to be prepared for all new partners before we enter into any grant arrangements or memoranda of understanding. We regularly monitor progress of programmes and utilise a Monitoring and Evaluation framework for the assessment and internal audit of our partners. Due to current events in Palestine/Israel since October 7th 2023 we are having to further revise and tighten our due diligence on donations and donors as well as partners to satisfy enhanced bank requirements and to comply with anti-money laundering and anti-terrorism legislation. We will be conducting ongoing due diligence on existing partners on an annual basis and when their governing personnel change.

Hybrid and Remote Working

Although the covid induced lockdown officially ceased in June 2021, Galilee Foundation staff have continued to use hybrid and remote working as the norm throughout the reporting period, for convenience and preference. While the London based Galilee employees endeavoured to work in the office one day in common each week, other members of the team permanently work remotely from further afield. These measures have not adversely impacted our day-to-day operational activities in the UK, since much of the work is done digitally anyway. In some ways it has proven beneficial since new recruits do not have to be based in London, and we have had a larger pool of candidates to choose from. The absence of the daily commute also affords more time for a better work-life balance. The challenge to co-ordinate remote digital working and recreate the mutually supportive office atmosphere in order to maintain morale and productivity has been achieved with frequent virtual meetings, both regular and ad hoc, between staff, trustees, partners and volunteers etc using different digital tools depending on the reason for communication and the personnel involved. In some ways productivity has been increased because there is more freedom to choose the hours worked.

Fundraising Events

Our fundraising events in this reporting year were crowned by a highly successful Gala in April 2024 as well as participation in the Royal Parks Half Marathon in October 2023 and Christmas Big Give in December 2023, along with the Saucony London 10k in July 2024. We also held a sold out screening of the film Lyd in May 2024 followed by Q&A with the directors

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to reduce and mitigate the exposure to risks. A cash flow summary is kept and regularly reviewed and updated. The Trustees have identified the following as the principal risks facing the Foundation and have controls in place for their active management:

- The risk of charitable impact not being maximised and of the wasteful use of charitable funds resulting in reputational damage. The Foundation's management mitigates this risk by conducting regular evaluation, monitoring and follow up for all projects funded by the Foundation to assess the achievement of the Foundation's charitable objectives. Furthermore, the Trustees receive regular reports from the management of the Foundation to monitor and assess the performance of the Foundation, its activities and projects it supports to ensure that grants given are used for the charitable purpose intended.

- The safeguarding of the Foundation's investments and the risk of generating insufficient return. To mitigate such risk, one of our trustees who has a background in the financial sector has offered to regularly monitor and review the investments portfolio in line with the investment policy and advise the Trustees accordingly.

- Safeguarding of Foundation's income and the risk of devaluation of Foundation's funds due to currency fluctuation, particularly the funds in Pound sterling. To mitigate such risk, the Trustees have placed $339k (£258k) in a fixed Sterling denominated deposit.

- The consequences of the current war in Gaza on the functionality and physical safety of our partners and beneficiaries in Israel and in the West Bank given the increasing tensions, as well as the possible future constraints on our fundraising and on our banking activities from the UK to the region. These have been addressed in detail in our deliberations of going concern. Strategies have been considered for adoption according to the severity of the developing situation and should permit the Galilee Foundation to continue to meet its charitable purposes.

Objectives and activities

The Galilee Foundation's objectives are to further such charitable objectives as the Trustees in their absolute discretion think fit and include the following:

(1) TO ADVANCE THE EDUCATION AT ALL LEVELS OF PALESTINIANS IN OR LIVING IN ISRAEL AND THE PALESTINIAN TERRITORIES, REGARDLESS OF GENDER OR FAITH, IN PARTICULAR BUT NOT EXCLUSIVELY BY ORGANISING AND ENCOURAGING EDUCATION, CULTURE, HERITAGE, ART, SCIENCE AND RESEARCH INITIATIVES;

(2) TO RELIEVE THE POVERTY OF PALESTINIANS IN OR LIVING IN ISRAEL AND THE PALESTINIAN TERRITORIES, REGARDLESS OF GENDER OR FAITH, IN PARTICULAR BUT NOT EXCLUSIVELY BY THE PROVISION OF ADVICE, TRAINING AND SUPPORT.

The Galilee Foundation's general areas of operation are Israel and the occupied Palestinian territories. This reporting period saw the Foundation plan to expand to work with three UK registered charities providing support to beneficiaries in or displaced from Gaza.

To work towards these objectives, the Foundation identifies and makes grants to registered, reputable, non-political, and non-sectarian charitable organisations and research institutions for existing or new projects that meet the Foundation's objectives. These policies have not changed during the year.

In deciding what activities the charity should undertake, the Trustees have paid due regard to guidance issued by the Charity Commission including with respect to public benefit.

The Galilee Foundation's vision is to contribute to breaking the cycle of poverty and inequality faced by many Palestinian citizens of Israel as well as those in the occupied Palestinian territories. The Foundation believes strongly that access to education is the key to making this vision a reality.

Fundraising Statement

The Galilee Foundation is able to harness the goodwill and incredible generosity of donors from across the world through the work we undertake to provide Higher Education and other forms of educational support to Palestinian youth. We generate funds from a wide range of UK and international donors. This includes individual one-off donations, regular donations, institutional funding as well as Gift Aid. These funds are raised by the trustees, staff, volunteers and individuals who fundraise in support of the Galilee Foundation. The Galilee Foundation received several generous donations from foundations such as the Asfari Foundation and Arab Centre Research and Policy Studies to support its projects. We also received generous donations from those who took part in or supported our fundraising events. The Galilee Foundation also received a small amount of income from our online boutique.

We communicate regularly with our supporters through newsletters, appeals, social media and emails. We provide a comprehensive picture of our activities on our website at: www.galileefoundation.org.uk as well as our social media channels and we are available to support via phone or email.

The Galilee Foundation is registered with the Fundraising Regulator and works in a way that is compliant with the Code of Fundraising Practice.

We have not received any complaints relating to fundraising. Should this happen, GF employees will record this digitally and discuss with our trustees to review.

The staff manage and monitor the fundraising work undertaken by others. Any volunteer or freelancer that works with us is required to sign a Confidentiality Agreement which we implemented in 2019. The staff also conduct informal interviews and induction of activities with all new volunteers.

Project Activities in 2023/24

The Galilee Foundation aims to bring positive and meaningful change to thousands of young people through its scholarship programmes, training, access to education and cultural activities.

In the 2023/24 financial year the Foundation renewed its support to several of its existing partners, as well as making some new grants.

- **The Scholarship Programme in Israel:** The Foundations's main programme provides university scholarships to underprivileged Palestinian citizens of Israel. The programme is implemented in partnership with the Arab Cultural Association (ACA) in Haifa. The programme offers financial support for students but also additional training and vocational skills training, cultural activities and mentoring. The programme also includes a volunteering programme for all recipients of scholarships, encouraging them to get involved in their local communities and connect with their Palestinian heritage. In the 2023/24 academic year, a total of 186 students benefited from the programme.
- **Al Quds University's Youth Economic Empowerment Programme:** In 2023/24 the Foundation continued its support for an ambitious multi-year project called "Youth Economic Empowerment through Research and Technology Innovation". The project is supporting at least 500 students and job-seekers from vulnerable communities, primarily in East Jerusalem and the West Bank. The Youth Employment and Entrepreneurship Programme offers business incubation training and support, and aims to strengthen the culture of innovation and entrepreneurship among Palestinian youth, enhancing employment opportunities and strengthening micro and small businesses through cooperative business models.
- **ACA Building -** The Galilee Foundation is supporting the construction of a multidisciplinary cultural centre in Haifa which will benefit the Palestinian community in Israel. The centre will be dedicated to public cultural and artistic services, and will serve as a space to promote and advance cultural independence for Palestinian Arabs in the artistic, literary, and critical fields through initiatives that raise awareness of identity and collective rights. It will become a vital urban space for knowledge exchange, production, and publishing. Construction is ongoing and is expected to be completed in 2025.

- **Adalah (The Legal Center for Arab Minority Rights in Israel) –** in the 2023/24 financial year, the Galilee Foundation provided emergency funding for Adalah's work defending the rights of Palestinian university students facing disciplinary proceedings by Israeli academic institutions for their social media use since the beginning of the war on Gaza in October 2023. The Foundation also supported Adalah's law student camp, and its professional legal training programme for intern, which train Palestinian legal apprentices.
- **Mada Al-Carmel - the Arab Centre for Applied Social Research:** The Foundation continued to partner with Mada Al-Carmel, which aims to support students who wish to pursue post graduate studies and to provide them with academic training - the first of its kind available to Palestinian PhD students in Israel. In the 2023/24 financial year the Foundation also supported Mada Al-Carmel with core costs, allowing it to continue with its series of publications, seminars and conferences, in order to support the diverse academic challenges and needs faced by Palestinian students in Israel.
- **Baladna Association for Arab Youth:** The Foundation continued to partner with Baladna to support the organisation's core funding and educational materials. Baladna provides youth with the training, resources and practical tools they need to confront discrimination and the marginalisation of Palestinian people in Israel. The organisation's projects aim to empower Palestinian youth to become agents of positive social change and develop community projects responsive to the needs of their communities, also fostering awareness of the Palestinian identity and history among Palestinian youth groups in Israel.
- **FQMS/Hanoon Foundation:** The Foundation partnered with the Al Quds Foundation for Medical Schools in Palestine (FQMS/Hanoon Foundation) in their work supporting Palestinian medical students affected by the war on Gaza, by providing them with essential financial support and resources to enable them to continue their education uninterrupted and support the next generation of Palestinian healthcare professionals.
- **IMET 2000:** The Foundation continued its support for a Palestinian student from the Jordan Valley to study for a BA in Veterinary Science at An Najah University, Nablus, via IMET 2000. This student continued to do well in this, the second year of her degree, achieving an average of 3.14/4 in her exams and continuous assessment. The Foundation also supported a prosthetic limbs project for Palestinian young people, a project which is ongoing into 2025.
- **ACA Alumni Programme:** With funding from the Open Society Foundation, the Galilee Foundation continued its provision for an Alumni Coordinator to develop a programme of support for its ever-expanding network of beneficiaries from its scholarship programme with the Arab Culture Association. This programme aims to help the Foundation to keep in touch with our alumni once they graduate and to monitor and assess the impact of the scholarship programme over time.
- **Palestine Vision** – The Galilee Foundation also made a small grant to Bethlehem Cultural Festival for its Palestine Vision event, which took place at the Tabernacle in London on 7 May 2024. The aim was to support Palestinian talent, and the grant went towards the venue costs for the event.

Future Plans

In 2024-25, the Foundation plans to continue its work establishing an alumni programme for its students in order to keep in touch with them once they graduate and monitor the scholarship programme's impact. It is hoped that a strong alumni network can benefit the wider community through engagement in capacity building, entrepreneurial collaboration, and job creation.

The Events following October 7th 2023 have strongly impacted our partners on the ground and our students in Israel and East Jerusalem. Palestinian students of Israel have been suspended, expelled or even arrested for misdemeanours as minor as raising the Palestinian flag or liking the wrong social media post. Although none of our beneficiaries have been involved to date, the possibility remains that any of them could be in the future. Some have lost their jobs for speaking Arabic at work. The start of the new academic year has been delayed due to the military call up and its effect on the functionality of universities. Our partners have responded by giving legal support to affected students and running new legal advice workshops on how to avoid sanctions as well as mental health workshops to counter the fallout from anxiety, panic and increased hostility towards them. These events have required the Galilee Foundation to look at how we can assist the new legal and mental health needs of partners and students within the limits of our objects. We are planning to raise some funds to support Adalah's increased employment costs as well as ACA's workshops and mental health interventions.

We are also in conversations with Ajyal on how best to support their projects for trauma informed education among primary school children in Gaza, given that ongoing war, continuous displacement, trauma and scholasticide have all but brought education to a halt, and current conditions are not conducive to resumption.

In terms of fundraising, we will continue to develop our fundraising strategy with the aim of diversifying our funding to include more online and virtual events and a wider selection of live events throughout the coming year as well as hold another gala event in spring 2025. We will continue to reach out to appropriate trusts and foundations internationally and we plan to increase the number of regular donors through greater engagement with the wider community. The foundation is considering the hire of a community engagement/fundraising officer with the aim of developing solid systems and processes in place.

The Foundation continues to conduct strategic reviews to ensure that its donations help those in need most effectively and are currently working on updating our strategy with regard to the future development of the Foundation.

As the situation in Israel and the occupied Palestinian territories in particular and the Middle East in general develops in a dangerous and uncertain manner, the Galilee Foundation will need to continue to be flexible to adapt to the challenges ahead, and the impacts these will have on operations in general and fundraising in particular. Without being cynical we must encourage all stakeholders to recognize any possible opportunities in adversity and

contribute innovative ideas for fundraising or to raise awareness, regardless of the conditions under which we will work this coming year. We also need to support our partners as they grapple with the local challenges that lie ahead, some of which are yet unpredictable. Finally, we must recognize that it is our beneficiaries, the young people whose lives we aim to change for the better, who are most impacted by our success or failure and do everything in our power to ensure their success.

Financial Review

The Foundation continues to receive investment income from the generous funds originally donated by the State of Qatar for the provision of university scholarships.

Total income in the year was USD3,782,753, substantially higher due to the receipt of USD1,500,000 which will be used to support the building program of the Arab Cultural Association, and fundraising through a charity dinner and auction.

Total expenditure of the Foundation on projects, generating funds and operational costs from I September 2023 until 31 August 2024 was USD3,028,996 while the majority of the Foundation's expenditure went towards the projects, in the form of grants totalling USD2,420,678. The Scholarship Programme remains the Foundation's core project, whilst the ACA Building was the largest expenditure incurred.

Overall the results for the year were consistent with the budget.

Investment Policy

The Galilee Foundation has an Investment Committee comprised of the Chairman, Executive Director and a Trustee with over three decades of financial experience. The Investment Committee advises the board on appropriate investments, monitor performance, recommend the appointment of advisers, liaise with advisers, and report to the board. The Investment Committee mandate also manages the investment portfolio on a low risk, low volatility basis, with a view to generating income over the long term. Before each investment or de-investment decision is made, the investment committee consults with at least three outside financial advisors to ensure maximum diligence.
The objective of the Foundation's current investments portfolio is to ensure capital preservation and generate investment income by seeking to produce financial returns at an acceptable low level of risk. The Investment Fund is in a separate account and is invested in state bonds, and some blue-chip shares in an amount that does not exceed 15 percent of the total. The results over the past decade have been quite satisfactory. The interest on the investments of this fund is used primarily for the Foundation's Scholarship Programme.

Reserves Policy and Going Concern

The Galilee Foundation is currently dependent on a range of sources of income to sustain its activities. In 2024 the Galilee Foundation was able to hold a gala dinner event for the first time since 2019 and also fundraising through organizing a range of live and online events.

The Foundation plans its fundraising in advance having a 24 month view of cash flow.

To avoid closure if funding difficulties were to happen to the Foundation, the Board of Trustees has agreed to keep a certain level of financial reserves to ensure that its main operations can continue for a period of 12 months. It has been calculated that free reserves (unrestricted funds not tied up in fixed assets, investments or designated for other purposes) of USD194,185 would be needed to continue operating at a minimal level for at least 12 months. At the year end, the charity held total funds of USD6,164,600, of which USD1,225,287 were restricted and USD4,939,313 were unrestricted. Of the unrestricted reserves USD2,167,201 are designated against future projects, and USD2,577,927 are held in income producing investments and fixed assets. This leaves USD194,185 in free reserves, meeting the agreed level.

The Board of Trustees consider that any reserves held above that level are available to be used to increase the number of students supported under the Scholarship program, or to fund new programs arising during the following years.

The Foundation's consolidated balance sheet remains strong with net current assets of USD3,586,673. The trustees have reviewed the circumstances of the Galilee Foundation and consider that adequate resources continue to be available to fund its activities for the foreseeable future.

The consequences of the election of the far-right government followed by the current war in Gaza on the physical and material safety of our partners and beneficiaries in Israel and in the West Bank given the increasing tensions, alongside uncertainties with respect to possible escalation as well as the constraints on our fundraising and banking activities from the UK have added an extra layer of unpredictability. The Managing Director, Executive Director and Chairman have considered possible scenarios and strategies and are confident that adjustment to our activities can mitigate against the possibility of being unable to temporarily function in any capacity to meet our objects.

The Trustees are of the view that a Going concern basis is appropriate financially and that there are no material concerns currently regarding our operations. We will continue to monitor the situation on the ground with our partners and respond accordingly.

Audit information

The Trustees confirm that there is no relevant information of which the charitable company's auditor is unaware. The Trustees have taken all reasonable steps to make themselves aware of any relevant audit information.

Remuneration policy for key management personnel

The Trustees consider the board of Trustees and the senior management team the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses are disclosed in note 6 and related party transactions are disclosed in Note 7 to the accounts.
The financial year began with five part-time employees and two external consultants and finished with three part-time employees and one external consultant. Their pay is determined by the Executive Director and Chairman.

Statement of responsibilities of the trustees

The trustees (who are also directors of The Galilee Foundation for the purposes of company law) are responsible for approving the trustees' annual 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 then 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £100 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 August 2024 was 7 (2023:8). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 23rd May 2025
and signed on their behalf by

Sawsan Asfari
Executive Director & Trustee

Independent auditor's report

to the members of

The Galilee Foundation

Opinion

We have audited the financial statements of The Galilee Foundation (the 'charitable company') for the year ended 31 August 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 August 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 Galilee Foundation'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 trustees' 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 in relation to which 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' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees
As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities
In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
    - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
    - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the

financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano FCA (Senior statutory auditor)

27 May 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

The Galilee Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 August 2024

	Note	Unrestricted $	Restricted $	2024 Total $	Unrestricted $	Restricted $	2023 Total $
Income from:							
Donations and legacies	2a	947,893	202,057	**1,149,950**	49,893	244,106	293,999
Charitable activities							
Scholarship programme	2b	–	66,778	**66,778**	11,884	136,559	148,443
Other projects	2b	–	2,176,593	**2,176,593**	144,520	1,674,292	1,818,812
Other trading activities	2c	146,858	–	**146,858**	1,494	–	1,494
Investments		242,574	–	**242,574**	186,913	–	186,913
Total income		1,337,325	2,445,428	**3,782,753**	394,704	2,054,957	2,449,661
Expenditure on:							
Raising funds		168,449	–	**168,449**	28,979	–	28,979
Other trading activities		1,266	–	**1,266**	1,307	–	1,307
Charitable activities							
Scholarship programme		97,093	531,127	**628,220**	79,031	676,744	755,775
Other projects		376,961	1,590,264	**1,967,225**	206,855	721,489	928,344
Provision for bad & doubtful debts			263,836	**263,836**			
Total expenditure	3a	643,769	2,385,227	**3,028,996**	316,172	1,398,233	1,714,405
Net income before net gains / (losses) on investments		693,556	60,201	**753,757**	78,532	656,724	735,256
Net gains/(losses) on investments	9	41,874	–	**41,874**	(17,098)	–	(17,098)
Net income before other recognised gains and losses	5	735,430	60,201	**795,631**	61,434	656,724	718,158
Gains on foreign exchange		127,552	–	**127,552**	83,110	–	83,110
Transfers		(183,804)	183,804	**–**	(296,080)	296,080	–
Net movement in funds	14a	679,178	244,005	**923,183**	(151,536)	952,804	801,268
Reconciliation of funds:							
Total funds brought forward		4,260,135	981,282	**5,241,417**	4,411,671	28,478	4,440,149
Total funds carried forward		4,939,313	1,225,287	**6,164,600**	4,260,135	981,282	5,241,417

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14a to the financial statements.

The Galilee Foundation

Balance sheet

Company no. 06037771

As at 31 August 2024

	Note	$	2024 $	$	2023 $
Fixed assets:					
Investments	9		**2,577,011**		2,535,137
Tangible Fixed Assets	10		**916**		2,599
			2,577,927		2,537,736
Current assets:					
Debtors	11	**66,849**		340,710	
Cash at bank and in hand		**3,633,032**		2,398,388	
		3,699,881		2,739,098	
Liabilities:					
Creditors: amounts falling due within one year	12	**113,208**		35,417	
Net current assets			**3,586,673**		2,703,681
Total net assets			**6,164,600**		5,241,417
The funds of the charity:	13a				
Restricted funds			**1,225,287**		981,282
Unrestricted funds					
Designated funds		**2,167,201**			1,369,685
General funds		**2,772,112**			2,890,450
Total Unrestricted Funds			**4,939,313**		4,260,135
Total charity funds			**6,164,600**		5,241,417

Approved by the trustees on 23rd May 2025 and signed on their behalf by

Mrs S Asfari
Trustee

The Galilee Foundation

Statement of cash flows

For the year ended 31 August 2024

	Note	2024		2023	
		$	**$**	$	$
Cash flows from operating activities					
Net income for the reporting period (as per the statement of financial activities)			**923,183**		801,268
Depreciation	5		**1,278**		2,116
(Gains) from foreign exchange			**(127,552)**		(83,110)
(Gains) / losses on investments	9		**(41,874)**		17,098
Dividends and interest from investments			**(242,574)**		(186,913)
Decrease/(Increase) in debtors	11		**273,861**		(268,908)
Increase/(Decrease) in creditors	12		**77,791**		(25,868)
Net cash provided by operating activities			**864,113**		255,683
Cash flows from investing activities:					
Dividends, interest and rents from investments		**242,574**		186,913	
Purchase of fixed assets	10	**-**		(3,212)	
Proceeds from sale of fixed assets		**405**		437	
Net cash provided by investing activities			**242,979**		184,138
Change in cash and cash equivalents in the year			**1,107,092**		439,821
Cash and cash equivalents at the beginning of the year			**2,398,388**		1,875,457
Change in cash and cash equivalents due to exchange rate movements			**127,552**		83,110
Cash and cash equivalents at the end of the year			**3,633,032**		2,398,388

Analysis of cash and cash equivalents

	At 31 August 2023	Cash flows	Other changes	**At 31 August 2024**
	$	$	$	**$**
Cash in hand	2,398,388	1,107,092	127,552	**3,633,032**
Total cash and cash equivalents	2,398,388	1,107,092	127,552	**3,633,032**

1 Accounting policies

a) Statutory information

The Galilee Foundation is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is 1 Gough Square (c/o the Arab British Centre) London EC4A 3DE.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Functional and presentation currency

These financial statements are presented in US$, which is the Company's functional currency.

d) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

e) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

f) Income

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.

Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

i) Expenditure and irrecoverable VAT

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

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of the scholarship programme and other educational activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

j) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- Raising Funds 10%
- Scholarship programme 50%
- Other projects 40%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £750. Depreciation is charged on a straight line basis at 25%

n) Debtors

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

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1 Accounting policies (continued)

q) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other

r) Financial instruments

With the exception of the listed investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

s) Foreign exchange

Monetary assets and liabilities in foreign currencies are translated into dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the net incoming resources for the year.

2a Income from donations

			2024			2023
	Unrestricted	Restricted	**Total**	Unrestricted	Restricted	Total
	$	$	**$**	$	$	$
Donations re: Scholarship Programme	–	63,128	**63,128**	–	137,854	137,854
Donations	947,893	138,929	**1,086,822**	49,893	106,252	156,145
	947,893	202,057	**1,149,950**	49,893	244,106	293,999

2b Income from charitable activities

			2024			2023
	Unrestricted	Restricted	**Total**	Unrestricted	Restricted	Total
	$	$	**$**	$	$	$
The Asfari Foundation	–	62,336	**62,336**	30,448	–	30,448
The Amjad & Shua Bseisu Foundation	–	–	**–**	570	5,700	6,270
Physics X	–	–	**–**	76	18,478	18,554
Open Society Foundation	–	–	**–**	11,818	118,182	130,000
Arab Center for Research and Policy	–	2,181,035	**2,181,035**	113,492	1,668,491	1,781,983
	–	2,243,371	**2,243,371**	156,404	1,810,851	1,967,255

2c Income from trading

			2024			2023
	Unrestricted	Restricted	**Total**	Unrestricted	Restricted	Total
	$	$	**$**	$	$	$
Event Tickets	145,630	–	**145,630**	–	–	–
Sale of goods	1,228	–	**1,228**	1,494	–	1,494
	146,858	–	**146,858**	1,494	–	1,494

3a Total resources expended (current year)

	Charitable Activities						
	Raising funds	Scholarship programme	Other projects	Governance Costs	Support Costs	2024 Total	2023 Total
	$	$	$	$	$	**$**	$
Staff costs (Note 6)	–	–	–	–	131,975	**131,975**	101,805
Audit and accountancy	–	–	–	14,726	12,491	**27,217**	25,465
Administration expenses	–	–	–	–	27,764	**27,764**	25,988
Grants to institutions (Note 4)	–	531,127	1,889,551	–	–	**2,420,678**	1,541,863
Bad debt provision (Note 11)	–	–	263,836	–	–	**263,836**	–
Bank & foreign exchange charges	–	–	–	–	7,229	**7,229**	4,804
Purchase of goods for resale	1,266	–	–	–	–	**1,266**	1,307
Fundraising costs	149,031	–	–	–	–	**149,031**	13,173
	150,297	**531,127**	**2,153,387**	**14,726**	**179,459**	**3,028,996**	1,714,405
Support costs	17,945	89,730	71,784	–	(179,459)	–	–
Governance costs	1,473	7,363	5,890	(14,726)	–	–	–
Total expenditure 2024	**169,715**	**628,220**	**2,231,061**	–	–	**3,028,996**	1,714,405
Total expenditure 2023	30,286	755,775	928,344	–	–		1,714,405

3b Total resources expended (prior year)

	Charitable Activities					
	Raising funds	Scholarship programme	Other projects	Governance Costs	Support Costs	2023 Total
	$	$	$	$	$	$
Staff costs (Note 6)	–	–	–	–	101,805	101,805
Audit and accountancy	–	–	–	13,714	11,751	25,465
Administration expenses	–	–	–	–	25,988	25,988
Grants to institutions (Note 4)	–	676,744	865,119	–	–	1,541,863
Bank & foreign exchange charges	–	–	–	–	4,804	4,804
Purchase of goods for resale	1,307	–	–	–	–	1,307
Fundraising costs	13,173	–	–	–	–	13,173
	14,480	**676,744**	**865,119**	**13,714**	**144,348**	**1,714,405**
Support costs	14,435	72,174	57,739	–	(144,348)	–
Governance costs	1,371	6,857	5,486	(13,714)	–	–
Total expenditure 2023	**30,286**	**755,775**	**928,344**	**–**	**–**	**1,714,405**

4 Grant making

	2024 Grants to institutions $	2023 Grants to institutions $
Cost		
Mada Al-Carmel: Arab Centre for Applied Social Research – to support research project	113,000	395,000
Mada Al-Carmel: Arab Centre for Applied Social Research – to support PhD students	75,500	75,500
Yaffa Youth Movement Association (YYMA)	–	82,966
The Arab Culture Association: to support the Scholarship Programme	531,127	676,744
The Arab Culture Association: to support the Alumni Programme	39,791	39,791
The Arab Culture Association: New Building Programme	1,000,000	–
Challenge to Change – Galilee Foundation She Codes programme	–	8,325
Al-Quds University Economic Empowerment Strategy – Youth Economic Empowerment	367,482	183,741
Al-Quds University Scholarship Programme	–	19,805
International Medical Education Trust 2000 (IMET2000) Prosthetic Limbs Project	97,417	–
Hanoon Foundation (was FMQS) – Supporting Gazan Medical Students	98,608	–
Friends of Bethlehem UK – Palestine Vision event	2,762	–
Hewar Daycare *	–	(50,000)
Adalaha Legal Centre	25,000	40,000
Baladna Assoc.: Core funds	69,991	69,991
Total grants for the year	**2,420,678**	1,541,863

* In 2023 a grant previously provided for, for the building of the Hewar Daycare center, was writtten back after it was determined that the project would not be completed.

5 Net income for the year

This is stated after charging:

	2024 $	2023 $
Depreciation	**1,278**	2,116
Operating lease rentals:		
▪ Property	**6,034**	5,835
Auditor's remuneration (excluding VAT):		
▪ Audit	**12,474**	11,428

6 Staff costs and numbers

Staff costs were as follows:

	2024	2023
	$	$
Salaries and wages	**121,565**	96,436
Staff pension costs	**4,759**	4,070
Redundancy costs	**2,691**	-
Social security costs	**2,960**	1,299
	131,975	101,805
Total emoluments paid to staff were:	**124,256**	96,436

No employee earned more than $78,781 during the year (USD equivalent of GBP 60,000) (2023 $76,039: nil).
The total employee benefits including pension contributions of the key management personnel were $62,359 (2023: $57,353).

The average weekly number of employees (head count based on number of staff employed) during the period was 4 (2023: 4).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2023: $nil). No charity trustee received payment for professional or other services supplied to the charity (2023: $nil).

There were no trustees' expenses relating to attendance at meetings of the trustees.

7 Related party transactions

During the year donations totalling $62,336 (2023: $30,448) were received from The Asfari Foundation. The Asfari Foundation is a related party as Mrs Sawsan Asfari, a trustee of Galilee Foundation, has majority control over the Asfari Foundation with her immediate family members. Grants from the Asfari Foundation funded grants to the Arab Cultural Association (Scholarship Fund) as well as to fund the Galilee Foundation's organisational development and capacity building in accordance with the conditions of the donations.
In 2024 the charity paid $6,034 (2023: $5,835) to the Asfari Foundation in respect of the rental of office space.

In 2024 $104,151 (2023: $75,000) was received from Goldman Sachs Gives on a recommendation from the Fadi Abuali Annual Giving Fund. Mr Abuali is the husband of Leila Garadaghi, a trustee of the Galilee Foundation

Other aggregate donations from related parties were $58,399 (2023: $11,314).

8 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9 Investments

	2024	2023
	$	$
Fair value at the start of the period	**2,535,137**	2,552,235
Additions	**-**	-
Disposal proceeds	**-**	-
Net change in fair value	**41,874**	(17,098)
Fair value at the end of the period	**2,577,011**	2,535,137

The investments comprise an Ooredoo Intl Finance Ltd bond, a Qatar National Bank bond, and publicly listed shares in Royal Dutch Shell plc, Gilead Sciences Inc, GlaxoSmithKline plc, Johnson & Johnson Inc, Pfizer Inc, Viatris Inc., and Haleon plc

10 Tangible fixed assets

	Fixtures and fittings	
	2024	2023
Cost	**$**	$
At the start of the year	**7,525**	5,308
Additions in year	**–**	3,212
Disposals in year	**(885)**	(995)
At the end of the year	**6,640**	7,525
Depreciation		
At the start of the year	**4,926**	3,368
Charge for the year	**1,278**	2,116
Eliminated on disposal	**(480)**	(558)
At the end of the year	**5,724**	4,926
Net book value		
At the start of the year	**2,599**	1,940
At the end of the year	**916**	2,599

All of the above assets are used for charitable purposes.

11 Debtors: amounts falling due within one year

	2024	2023
	$	$
Trade debtors	**–**	604
Prepayments	**–**	1,875
Accrued income	**330,685**	338,231
Provision for bad debts	**(263,836)**	–
	66,849	340,710

A provision for bad debts has been made against Accrued income and relates to a grant from Arab Center for Research and Policy, for the Al-Quds University - Youth Economic Empowerment programme. There is objective evidence of impairment due to age of the balance. The provision is for a specific amount identified as likely to be irrecoverable.

12 Creditors: amounts falling due within one year

	2024	2023
	$	$
Trade creditors	**2,126**	3,093
Grants payable	**98,608**	20,538
Accruals	**12,474**	11,786
	113,208	35,417

13a Analysis of net assets between funds (current year)

	General unrestricted $	Designated $	Restricted $	**Total funds $**
Investments	2,577,011	–	–	**2,577,011**
Fixed assets	916	–	–	**916**
Net current assets	194,185	2,167,201	1,225,287	**3,586,673**
Net assets at 31 August 2024	**2,772,112**	**2,167,201**	**1,225,287**	**6,164,600**

Of the General Unrestricted Funds $2,269,685 are designated meaning that the charity has commited these funds to future projects.

13b Analysis of net assets between funds (prior year)

	General unrestricted $	Designated $	Restricted $	**Total funds $**
Investments	2,535,137	–	–	**2,535,137**
Fixed assets	2,599	–	–	**2,599**
Net current assets	352,714	1,369,685	981,282	**2,703,681**
Net assets at 31 August 2023	**2,890,450**	**1,369,685**	**981,282**	**5,241,417**

14a Movements in funds (current year)

	At 1 September 2023	Income & gains	Expenditure & losses	Transfers	**At 31 August 2024**
	$	$	$	$	**$**
Restricted funds:					
Mada Al-Carmel - Core Funds	7,000	110,982	(113,000)	50,000	**54,982**
Galilee Foundation - UK Funds	-	223,937	-	(223,937)	**-**
Scholarship Program - (Arab Cultural Association, Ferial & Mohamed Abuali Scholarship, Open Society)	-	123,386	(531,127)	407,741	**-**
Alumni Programme (Open Society)	43,191	-	(39,791)	-	**3,400**
Al-Quds Youth Economic Empowerment	877,795		(631,318)	-	**246,477**
Hewar Daycare - reallocated to Mada Al-Carmel - Core Funds	50,000	-	-	(50,000)	**-**
Building Project - Arab Cultural Association	-	1,916,589	(1,000,000)	-	**916,589**
Baladna - Association for Arab Youth	3,296	70,534	(69,991)	-	**3,839**
Total restricted funds	981,282	2,445,428	(2,385,227)	183,804	**1,225,287**
Unrestricted funds:					
Designated fund	1,369,685	-	-	797,516	**2,167,201**
General funds	2,890,450	1,506,751	(643,769)	(981,320)	**2,772,112**
	5,241,417	3,952,179	(3,028,996)	-	**6,164,600**

Purposes of grants made - restricted funds

Mada Al-Carmel: Arab Centre for Applied Social Research - to support core funding for partner
Galilee Foundation UK - Support costs of the charity within the UK
The Arab Culture Association - to support the Scholarship & Alumni Programmes.
Alumni Programme - supported by Open Society to develop alumni links
Al-Quds - to support the Youth Economic Empowerment Programme. An amount previously accrued as income in 2022-2023 has been written back as a bad debt due to uncertainty of it being paid.
Hewar Daycare - The building of the daycare center is no longer progressing, and Doha Institute have instructed that the funds should be applied against Mada Al-Carmel core funds.
Building Project - Arab Cultural Association
Baladna - to support studies preparation of students

Purposes of grants made - unrestricted funds

Mada Al-Carmel: Arab Centre for Applied Social Research - to support PHD Program
International Medical Education Trust 2000 (IMET2000) - to support the Prosthetic Limbs Project
Hanoon Foundation (was FMQS) - Supporting Gazan Medical Students impacted by the war on Gaza
Adalaha Legal Centre: to support Law Students Conference
Friends of Bethlehem UK, Palestine Vision venue costs

Designated funds represent the value of future commitments to scholarship students & other projects which do not meet the accounting criteria for inclusion as a liability, but which the charity is likely to need to pay out to existing students & projects.

14b Movements in funds (prior year)

	At 1 September 2022	Income & gains	Expenditure & losses	Transfers	**At 31 August 2023**
	$	$	$	$	**$**
Restricted funds:					
Mada Al-Carmel - Core Funds	7,000	395,000	(395,000)	-	**7,000**
Galilee Foundation - UK Funds	-	106,253	-	(106,253)	**-**
Scholarship Program - (Arab Cultural	-	274,413	(676,744)	402,331	**-**
Alumni Programme (Open Society)	-	82,982	(39,791)	-	**43,191**
Yaffa Youth Movement Association	-	82,964	(82,966)	2	**-**
Al-Quds Youth Economic Empowerment	-	1,061,536	(183,741)	-	**877,795**
Hewar Daycare	-	-	50,000	-	**50,000**
Baladna - Association for Arab Youth	21,478	51,809	(69,991)	-	**3,296**
Total restricted funds	28,478	2,054,957	(1,398,233)	296,080	**981,282**
Unrestricted funds:					
Designated funds:	1,914,000	-	-	(544,315)	**1,369,685**
General funds	2,497,671	477,814	(333,270)	248,235	**2,890,450**
	4,440,149	2,532,771	(1,731,503)	-	**5,241,417**

15 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	2024	2023
	$	$
Less than one year	**525**	507
One to five years	-	-
	525	507

16 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £100.

THE GALILEE FOUNDATION

England & Wales - Charity number 1118966

Accounts

Company number: 06037771
Charity number: 1118966

The Galilee Foundation

Report and financial statements

For the year ended 31 August 2023

The Galilee Foundation is registered in England and Wales under

Charity Commission number 1118966 and Companies House number 06037771

Address: Unit A, 1-3 Canfield Place, NW6 3BT, London, UK

Telephone: +44 20 7993 8355 Email: info@galileefoundation.org.uk

www.galileefoundation.org.uk

The Galilee Foundation

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The Galilee Foundation

Reference and administrative information

For the year ended 31 August 2023

Company number	06037771
Charity number	1118966
Registered office and operational address	The Galilee Foundation Unit A, 1-3 Canfield Pl, South Hampstead London NW6 3BT United Kingdom
Country of registration	England & Wales
Country of incorporation	United Kingdom
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Marwan Bishara Sawsan Asfari Ms Leila Garadaghi Yousef Bazian Khalil Jahshan Eyad Mahameed Katherine Bucknell Abdurrahman Elshayyal (resigned October 2022)
Advisory Board	Advisers do not have any formal legal responsibilities. The advisers who only offer advice and support are as follows: David Freeman — Legal adviser Dina Bseisu — Adviser
Key Management personnel	Marwan Bishara — Chairman Sawsan Asfari — Executive Director Maha Al Farra — Managing Director
Bankers	Europe Arab Bank plc 35 Park Lane Mayfair London W1K 1RB

	Metro Bank One Southhampton Row London, WC1B 5HA
Accountant	Treganna's Consultancy 175 Chatsworth Road London NW2 5QS
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors 110 Golden Lane London EC1Y 0TG

The trustees present their report and the audited financial statements for the year ended 31 August 2023.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Trustees and organisational structure

Trustees of the Galilee Foundation serve until they stand down. New trustees are nominated to fill specific gaps identified by the Trustees. When new Trustees are appointed, they are provided with the information they need to fulfil their roles, which includes information about the role of Trustees and charity law. Trustees receive updates, progress reports and publications on a regular basis.

The Trustees currently meet virtually twice yearly to govern and monitor the progress of the Charity. They are also in touch regularly on email and video conference calls. The policies and procedures are reviewed and updated annually. The Trustees delegate the day-to-day running of the charity to the Foundation's office in London. The Trustees confirm that they have complied with the Charities Act 2006

Maha Al Farra, the Managing Director and Heather McIntosh, Communications officer, continued in their roles. Dianne Woodward, who had provided administrative support in a voluntary capacity was appointed in a paid capacity in January 2023. Cassie Woodard, the Grants manager resigned in March and was replaced by Clare Roberts as Grants officer in May. Two new appointments were made in August, Layla Assam as Fundraising Officer and Ghada Maisury as a Trusts and Foundations Consultant. The employees' work has been overseen by the Co-Founder, Executive Director and Trustee Sawsan Asfari. Treganna's Consultancy continues to oversee and manage the Foundation's finances on a monthly basis. Marwan Bishara, Chairman and Co-Founder, also lends support via a monthly Zoom meeting with the office team.

Grant making policy

The Foundation receives project proposals, however its current projects have been solicited and developed together with the partner organisations. The Foundation drafts agreements that specify the responsibilities of its partners and the schedule of reporting. Partners are required to submit narrative and financial reports at least once per year. Our Grants Manager and Grants officer have both had regular meetings with partners to monitor progress, and Cassie Woodward, the Grants Manager, before she left the Galilee Foundation, also travelled to Israel during the reporting year to meet with some of the

partners in person and discuss progress of projects. For sustainability of projects' achievements, the Foundation seeks to develop longstanding partnership while maintaining rigorous monitoring and evaluation procedures.

Partner Due Diligence

We have been strengthening our partner due diligence framework since the introduction of GF's formal policy document in 2019. We now require initial operational and financial assessments to be prepared for all new partners before we enter into any grants arrangements or memoranda of understanding. We regularly monitor progress of programmes and utilise a Monitoring and Evaluation framework for the assessment and internal audit of our partners. Due to current events in Palestine/Israel since October 7th we are having to further revise and tighten our due diligence on donations and donors as well as partners to satisfy enhanced bank requirements and to comply with anti-money laundering and anti-terrorism legislation. We will be conducting ongoing due diligence on existing partners on an annual basis and when their governing personnel change.

Coronavirus Legacy

Although lockdown officially ceased in June 2021, Galilee Foundation staff have continued to use hybrid and remote working as the norm throughout the reporting period, for convenience and preference. While the London based Galilee employees endeavour to work in the office one day in common each week, other members of the team permanently work remotely from further afield. These measures have not adversely impacted our day-to-day operational activities in the UK, since much of the work is done digitally anyway. In some ways it has proven beneficial since new recruits do not have to be based in London, and we have had a larger pool of candidates to choose from. The absence of the daily commute also affords more time for a better work-life balance. The challenge to co-ordinate remote digital working and recreate the mutually supportive office atmosphere in order to maintain morale and productivity has been achieved with frequent virtual meetings, both regular and ad hoc, between staff, trustees, partners and volunteers etc using different digital tools depending on the reason for communication and the personnel involved. In some ways productivity has been increased because there is more freedom to choose the hours worked.

In the current reporting period our partners have seen a return to the larger single events and in person workshops being held indoors or out depending on choice and the occasion.

Our students have also been able to maintain the return to the classroom with teachers operating in a familiar environment and are now less impacted by the challenges of remote learning, availability of the infrastructure and technology for access. Increased financial

hardship due to the economic effects of national lockdowns has still been an issue for some however.

Our fundraising events have not entirely recovered from the pandemic as we have still been unable to have any in-person gala events, which we hoped to do in 2022-23, due to the vulnerability of older donors to endemic Covid and the current lack of appetite for returning to the pre-covid gala format among major donors. We have mitigated this partly by hosting as well as participating in virtual fundraising events such as the Big Give Campaign in December 2022. In March/April 2023 we also set up a Zakat and Ramadan Appeal and we were able to hold outdoor sporting challenges, namely, the Royal Parks Half Marathon in October 2022 and Asics London 10k in July 2023.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to reduce and mitigate the exposure to risks. A cash flow summary is kept and regularly reviewed and updated. The Trustees have identified the following as the principal risks facing the Foundation and have controls in place for their active management:

- The risk of charitable impact not being maximised and of the wasteful use of charitable funds resulting in reputational damage. The Foundation's management mitigates this risk by conducting regular evaluation, monitoring and follow up for all projects funded by the Foundation to assess the achievement of the Foundation's charitable objectives. Furthermore, the Trustees receive regular reports from the management of the Foundation to monitor and assess the performance of the Foundation, its activities and projects it supports to ensure that grants given are used for the charitable purpose.

- The safeguarding of the Foundation's investments and the risk of generating insufficient return. To mitigate such risk, one of our trustees who has a background in the financial sector has offered to regularly monitor and review the investments portfolio and advise the Trustees accordingly.

- Safeguarding of Foundation's income and the risk of devaluation of Foundation's funds due to currency fluctuation, particularly the funds in Pound sterling. To mitigate such risk, the Trustees have placed $321k (£255k) in a fixed Sterling denominated deposit.

- The consequences of the current war in Gaza on the functionality and physical safety of our partners and beneficiaries in Israel and in the West Bank given the increasing tensions, as well as the possible future constraints on our fundraising and on our banking activities from the UK to the region. These have been addressed in detail in

our deliberations of going concern. Strategies have been considered for adoption according to the severity of the developing situation and should permit the Galilee Foundation to continue meet its charitable purposes.

Objectives and activities

The Galilee Foundation's objectives are to further such charitable objectives as the Trustees in their absolute discretion think fit and include the following:

(1) TO ADVANCE THE EDUCATION AT ALL LEVELS OF PALESTINIANS IN OR LIVING IN ISRAEL AND THE PALESTINIAN TERRITORIES, REGARDLESS OF GENDER OR FAITH, IN PARTICULAR BUT NOT EXCLUSIVELY BY ORGANISING AND ENCOURAGING EDUCATION, CULTURE, HERITAGE, ART, SCIENCE AND RESEARCH INITIATIVES;

(2) TO RELIEVE THE POVERTY OF PALESTINIANS IN OR LIVING IN ISRAEL AND THE PALESTINIAN TERRITORIES, REGARDLESS OF GENDER OR FAITH, IN PARTICULAR BUT NOT EXCLUSIVELY BY THE PROVISION OF ADVICE, TRAINING AND SUPPORT.

The Galilee Foundation's general areas of operation are Israel and Palestine.

To work towards these objectives, the Foundation identifies and makes grants to registered, reputable, non-political, and non-sectarian charitable organisations and research institutions for existing or new projects that meet the Foundation's objectives. These policies have not changed during the year.

In deciding what activities the charity should undertake, the Trustees have paid due regard to guidance issued by the Charity Commission including with respect to public benefit.

The Galilee Foundation's vision is to contribute to breaking the cycle of poverty and inequality faced by many Palestinian citizens of Israel as well as those in the occupied Palestinian territories. The Foundation believes strongly that access to education is the key to making this vision a reality.

Fundraising Statement

The Galilee Foundation is able to harness the goodwill and incredible generosity of donors from across the world through the work we undertake to provide a Higher Education to Palestinian youth. We generate funds from a wide range of UK and international donors. This includes individual one-off donations, regular donations, institutional funding as well as Gift Aid. These funds are raised by the trustees, staff, volunteers and individuals who fundraise in support of the Galilee Foundation. The Galilee Foundation received several generous donations from foundations such as the Asfari Foundation and Arab Centre Research and Policy Studies to support its projects. We also received generous donations

from those who took part in The Big Give 2022, Zakat and Ramadan appeals, London Asics 10K and Royal Park Half Marathon events. The Galilee Foundation also received a very small number of donations from our online boutique, Amazon Smile, Give As You Live and Facebook Donate.

We communicate regularly with our supporters through newsletters, appeals, social media and emails. We provide a comprehensive picture of our activities on our website at: www.galileefoundation.org.uk as well as our social media channels and we are available to support via phone or email.

The Galilee Foundation is registered with the Fundraising Regulator and works in a way that is compliant with the Code of Fundraising Practice.

We have not received any complaints relating to fundraising. Should this happen, GF employees will record this digitally and discuss with our trustees to review.

The staff manage and monitor the fundraising work undertaken by others. Any volunteer or freelancer that works with us is required to sign a Confidentiality Agreement which we implemented in 2019. The staff also conduct informal interviews and induction of activities to all new volunteers.

Project Activities in 2022/23

The Galilee Foundation aims to bring positive and meaningful change to thousands of young people through its scholarship programmes, training, access to education and cultural activities.

In the 2022/23 financial year the Foundation renewed its support to most of its existing partners.

- **The Scholarship Programme in Israel:** The Foundations's main programme provides university scholarships to underprivileged Palestinian citizens of Israel. The programme is implemented in partnership with the Arab Cultural Association (ACA) in Haifa. The programme offers financial support for students but also additional training and capacity building, cultural activities and mentoring. The programme also includes a volunteering programme for all recipients of scholarships, encouraging them to get involved in their local communities and connect with their Palestinian heritage. In the 2022/23 academic year, a total of 217 students benefited from the programme.

- **Scholarship Programme with Al Quds University:** The Foundation continued its partnership with Al Quds University in East Jerusalem to support the remaining six disadvantaged students during the 2022/23 Academic Year. In addition to their

studies, students are required to participate in 120 hours of volunteer work including in elderly people's homes, medical centres, and with the Pharmacists Syndicate.

- **Al Quds University's Youth Economic Empowerment Programme:** In 2023 the Foundation began supporting an ambitious multi-year project called "Youth Economic Empowerment through Research and Technology Innovation" supporting employability training and business incubation to enhance employability, innovation and entrepreneurship among Palestinian youth in Jerusalem and the West Bank.

- **Mada Al-Carmel - the Arab Centre for Applied Social Research – PhD Students Programme and Core Funds:** The Foundation continued to partner with Mada Al-Carmel, which aims to support students who wish to continue their higher education and to provide them with academic training. The Programme is the first of its kind available to Palestinian PhD students in Israel. In the 2022/23 financial year Mada Al-Carmel continued with its series of publications, seminars and conferences, also expanding its scope to include a summer camp for undergraduate (BA) students, in order to support the diverse academic challenges and needs faced by Palestinian students in Israel.

- **Hewar - The Arab Association for Alternative Education:** This partnership was provided to create the Hewar Daycare Centre. Unfortunately, the opening of the Day Care Centre was further delayed due to building permit and municipal complications.

- **Baladna Association for Arab Youth:** The Foundation continued to partner with Baladna to support the organisation's core funding and educational materials. Baladna provides youth with the training, resources and practical tools they need to confront discrimination and the marginalisation of Palestinian people in Israel. The organisation's projects aim to empower Palestinian youth to become agents of positive social change and develop community projects responsive to the needs of their communities, also fostering awareness of the Palestinian identity and history among Palestinian youth groups in Israel. In the 2022/23 financial year, Baladna expanded its work to include a Naqab Youth Project aimed at Palestinian Bedouin residents of the Naqab, and engaged ten local youth groups, and a total of 334 high school students to undertake active roles in their communities through its Hirak project.

- **Yaffa Youth Movement Association (YYMA): T**he Foundation continued its partnership with the YYMA, which aims to build a strong and democratic Palestinian-Arab community in Yaffa. In addition to providing cultural and educational workshops to young people in Yaffa, YYMA made great strides with its podcast

programme, which included episodes on Palestinian culture, cuisine and history, and which received over 31,000 listens across the world.

- **Challenge to Change:** From November 2022-March 2023 the Foundation provided support to Challenge to Change in their SheCodes programme providing coding and work skills training for marginalised Palestinian women. 93 women benefited in total, with 100% of beneficiaries reporting increased self-esteem and confidence that they could earn an income after the training. 29 graduates received job offers immediately upon completion of the training course.

- **IMET 2000:** The Foundation also began supporting one Palestinian student from the Jordan Valley to study for a BA in Veterinary Science at An Najah University, Nablus, via IMET2000. In her first of five years this student achieved an average of 86% in her exams and continuous assessment.

- **Alumni Programme:** With support from the Open Society Foundations, the Galilee Foundation hired an Alumni Coordinator to develop a comprehensive programme of training and support for its ever-expanding network of beneficiaries from its scholarship programme. It also commissioned and published an Impact Report on the scholarship programme's success to date, with support from the Asfari Foundation.

Future Plans

In 2023-24, the Foundation plans to continue its work establishing an alumni programme for its students in order to keep in touch with them once they graduate and monitor the scholarship programme's impact. It is hoped that a strong alumni network can benefit the wider community through engagement in capacity building, entrepreneurial collaboration, and job creation.

The Events following October 7th 2023 have strongly impacted our partners on the ground and our students in Israel and East Jerusalem. Palestinian students of Israel have been suspended, expelled or even arrested for misdemeanours as minor as raising the Palestinian flag or liking the wrong social media post. Although none of our beneficiaries have been involved to date, the possibility remains that any of them could be in the future. Some have lost their jobs for speaking Arabic at work. The start of the new academic year has been delayed due to the military call up and its effect on the functionality of universities. Our partners have responded with giving legal support to affected students and running new legal advice workshops on how to avoid sanctions and mental health workshops to counter the fallout from anxiety, panic and increased hostility towards them. These events have required the Galilee Foundation to look at how we can assist the new legal and mental health needs of partners and students within the limits of our objects. We are planning to

raise some funds to support Adalah's increased employment costs as well as ACA's workshops and mental health interventions.

In terms of fundraising, we will continue to develop our fundraising strategy with the aim of diversifying our funding to include more online and virtual events and a wider selection of smaller live events throughout the coming year as well as hold a major gala event in spring 2024. We will continue to reach out to trusts and foundations internationally and we plan to increase the number of regular donors through greater engagement with the wider community. Having expanded operationally with the hire of a community engagement officer and a Trusts and Foundations consultant we are progressing with the aim of having solid systems and processes in place.

The Foundation continues to conduct strategic reviews to ensure that its donations help those in need most effectively and are currently working on updating our strategy with regard to the future development of the Foundation.

2023 has already indicated that the consequences of the covid pandemic are still with us in terms of working practices. A return to the old normality continues to seem unlikely for the foreseeable future. We continue to develop our team building strategies for the new normal of remote and hybrid working and look to seize opportunities as well as meet challenges.

As the situation in Israel and the occupied Palestinian territories in particular and the Middle East in general develops in a dangerous and uncertain manner, the Galilee Foundation will need to continue to be flexible to adapt to the challenges ahead, and the impacts these will have on operations in general and fundraising in particular. Without being cynical we must encourage all stakeholders to recognize any possible opportunities in adversity and contribute innovative ideas for fundraising or to raise awareness, regardless of the conditions under which we will work this coming year. We also need to support our partners as they grapple with the local challenges that lie ahead, some of which are yet unpredictable. Finally, we must recognize that it is our beneficiaries, the young people whose lives we aim to change for the better, who are most impacted by our success or failure and do everything in our power to ensure their success.

Financial Review

The Foundation continues to receive interest payments from the generous endowment fund donated by the State of Qatar for the provision of university scholarships.

Income in the year was substantially higher due to the receipt of USD1,061,536 which will be used to support the Al-Quds Economic Empowerment program in the period to December 2026, and USD395,000 to support the core costs Mada Al-Carmel.

Total expenditure of the Foundation on projects, generating funds and operational costs from I September 2022 until 31 August 2023 was USD1,714,405 while the majority of the Foundation's expenditure went towards the projects, totalling USD1,591,863. The Scholarship Programme remains the Foundation's core and largest project, with the majority of project expenditure allocated to it.

Overall the results for the year were consistent with the budget.

Investment Policy

The Galilee Foundation has an Investment Committee comprised of the Chairman, Executive Director and a Trustee with over three decades of financial experience. The Investment Committee advises the board on appropriate investments, monitor performance, recommend the appointment of advisers, liaise with advisers, and report to the board. The Investment Committee mandate also manages the investment portfolio on a low risk, low volatility basis, with a view to generating income over the long term. Before each investment or de-investment decision is made, the investment committee consults with at least three outside financial advisors to ensure maximum diligence.
The objective of the Foundation's current investments portfolio is to ensure capital preservation and generate investment income by seeking to produce financial returns at an acceptable low level of risk. The Endowment Fund is in a separate account and is invested in state bonds and some blue-chip shares in an amount that does not exceed 15 percent of the total. The results over the past decade have been quite satisfactory. The interest on the investments of this fund is used primarily for the Foundation' s Scholarship Programme.

Reserves Policy and Going Concern

The Galilee Foundation is currently dependent on a range of sources of income to sustain its activities. Previously, the Galilee Foundation would hold a biennial fundraising gala dinner. In 2020-21 and in 2021-22 this was impossible due to covid, lockdowns and the lack of appetite for attending such events even out of lockdown. As a result, Galilee has had to rely on income from its investments, annual donations from a few foundations and several individual donors. Some income was generated from the online shop and other virtual/online fundraising events as mentioned above.

The Foundation plans its fundraising in advance having a 24 month view of cash flow.

To avoid closure if funding difficulties were to happen to the Foundation, the Board of Trustees has agreed to keep a certain level of financial reserves to ensure that its main operations can continue for a period of 12 months. It has been calculated that reserves of

USD208,863 would be needed to continue operating at a minimal level for at least 12 months.

The Board of Trustees consider that any reserves held above that level are available to be used to increase the number of students supported under the Scholarship program, or to new programs arising during the following years.

The Foundation's consolidated balance sheet remains strong with net current assets of USD2,703,681. The trustees have reviewed the circumstances of the Galilee Foundation and consider that adequate resources continue to be available to fund its activities for the foreseeable future.

The consequences of the election of the far-right government followed by the current war in Gaza on the physical and material safety of our partners and beneficiaries in Israel and in the West Bank given the increasing tensions, alongside uncertainties with respect to possible escalation as well as the constraints on our fundraising and banking activities from the UK have added an extra layer of unpredictability. The Managing Director, Executive Director and Chairman have considered possible scenarios and strategies and are confident that adjustment to our activities can mitigate against the possibility of being unable to temporarily function in any capacity to meet our objects.
The Trustees are of the view that a Going concern basis is appropriate financially and that there are no material concerns currently regarding our operations. We will continue to monitor the situation on the ground with our partners and respond accordingly.

Audit information

The Trustees confirm that there is no relevant information of which the charitable company's auditor is unaware. The Trustees have taken all reasonable steps to make themselves aware of any relevant audit information.

Remuneration policy for key management personnel

The Trustees consider the board of Trustees and the senior management team the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses are disclosed in note 6 and related party transactions are disclosed in Note 7 to the accounts.
There are currently five part-time employees and two external consultants and their pay is determined by the Executive Director and Chairman.

Statement of responsibilities of the trustees

The trustees (who are also directors of The Galilee Foundation for the purposes of company law) are responsible for approving the trustees' annual 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 then 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £100 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 August 2023 was 8 (2022:7). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 8th May 2024 and signed on their behalf by

Sawsan Asfari
Executive Director & Trustee

Opinion

We have audited the financial statements of The Galilee Foundation (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, balance sheet, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 August 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the trustees' 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.

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
- 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 in relation to which 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'

exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 the 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 judgment 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 purpose of expressing an opinion on the effectiveness of the entity'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 entity'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 entity 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.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano FCA (Senior statutory auditor)
20 May 2024
for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

The Galilee Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 August 2023

	Note	Unrestricted $	Restricted $	2023 Total $	Unrestricted $	Restricted $	2022 Total $
Income from:							
Donations and legacies	2a	49,893	244,106	**293,999**	11,896	255,446	267,342
Charitable activities							
Scholarship programme	2b	11,884	136,559	**148,443**	7,718	199,360	207,078
Other projects	2b	144,520	1,674,292	**1,818,812**	6,954	89,991	96,945
Other trading activities	2c	1,494	–	**1,494**	755	–	755
Investments		186,913	–	**186,913**	151,895	–	151,895
Total income		394,704	2,054,957	**2,449,661**	179,218	544,797	724,015
Expenditure on:							
Raising funds		28,979	–	**28,979**	16,304	–	16,304
Other trading activities		1,307	–	**1,307**	71	–	71
Charitable activities							
Scholarship programme		79,031	676,744	**755,775**	58,620	765,752	824,372
Other projects		206,855	721,489	**928,344**	46,897	170,491	217,388
Total expenditure	3a	316,172	1,398,233	**1,714,405**	121,892	936,243	1,058,135
Net income / (expenditure) before net (losses) on investments		78,532	656,724	**735,256**	57,326	(391,446)	(334,120)
Net losses on investments	9	(17,098)	–	**(17,098)**	(107,797)	–	(107,797)
Net income / (expenditure) before other recognised gains and losses	5	61,434	656,724	718,158	(50,471)	(391,446)	(441,917)
Gains / (losses) on foreign exchange		83,110	–	83,110	(140,971)	–	(140,971)
Transfers		(296,080)	296,080	–	(411,446)	411,446	–
Net movement in funds	14a	(151,536)	952,804	**801,268**	(602,888)	20,000	(582,888)
Reconciliation of funds:							
Total funds brought forward		4,411,671	28,478	**4,440,149**	5,014,559	8,478	5,023,037
Total funds carried forward		4,260,135	981,282	**5,241,417**	4,411,671	28,478	4,440,149

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14a to the financial statements.

The Galilee Foundation

Balance sheet

Company no. 06037771

As at 31 August 2023

	Note	$	2023 $	$	2022 $
Fixed assets:					
Investments	9		**2,535,137**		2,552,235
Tangible Fixed Assets	10		**2,599**		1,940
			2,537,736		2,554,175
Current assets:					
Debtors	11	**340,710**		71,802	
Cash at bank and in hand		**2,398,388**		1,875,457	
		2,739,098		1,947,259	
Liabilities:					
Creditors: amounts falling due within one year	12	**35,417**		61,285	
Net current assets			**2,703,681**		1,885,974
Total net assets			**5,241,417**		4,440,149
The funds of the charity:	13a				
Restricted funds			**981,282**		28,478
Unrestricted funds					
Designated funds		**1,369,685**			1,914,000
General funds		**2,890,450**			2,497,671
Total Unrestricted Funds			**4,260,135**		
Total charity funds			**5,241,417**		4,440,149

Approved by the trustees on 8 May 2024 and signed on their behalf by

Mrs S Asfari
Trustee

The Galilee Foundation

Statement of cash flows

For the year ended 31 August 2023

	Note	2023 $	$	2022 $	$
Cash flows from operating activities					
Net income / (expenditure) for the reporting period (as per the statement of financial activities)			**801,268**		(582,888)
Depreciation	5		**2,116**		1,327
(Gains) / losses from foreign exchange			**(83,110)**		140,971
Losses on investments	9		**17,098**		107,797
Dividends and interest from investments			**(186,913)**		(151,895)
(Increase)/Decrease in debtors	11		**(268,908)**		13,429
(Decrease) in creditors	12		**(25,868)**		(98,416)
Net cash provided by / (used in) operating activities			**255,683**		(569,675)
Cash flows from investing activities:					
Dividends, interest and rents from investments		**186,913**		151,895	
Purchase of fixed assets	10	**(3,212)**		–	
Proceeds from sale of fixed assets		**437**		–	
Proceeds from sale of investments	9	**–**		339,334	
Net cash provided by investing activities			**184,138**		491,229
Change in cash and cash equivalents in the year			**439,821**		(78,446)
Cash and cash equivalents at the beginning of the year			**1,875,457**		2,094,874
Change in cash and cash equivalents due to exchange rate movements			**83,110**		(140,971)
Cash and cash equivalents at the end of the year			**2,398,388**		1,875,457

Analysis of cash and cash equivalents

	At 31 August 2022 $	Cash flows $	Other changes $	**At 31 August 2023 $**
Cash in hand	1,875,457	439,821	83,110	**2,398,388**
Total cash and cash equivalents	1,875,457	439,821	83,110	**2,398,388**

1 Accounting policies

a) Statutory information

The Galilee Foundation is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is Unit A, 1-3 Canfield Pl, South Hampstead, London NW6 3BT.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Functional and presentation currency

These financial statements are presented in US$, which is the Company's functional currency.

d) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

e) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

f) Income

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.
Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

i) Expenditure and irrecoverable VAT

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

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of the scholarship programme and other educational activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

j) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- Raising Funds 10%
- Scholarship programme 50%
- Other projects 40%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £750. Depreciation is charged on a straight line basis at 25%

n) Debtors

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

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1 Accounting policies (continued)

q) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

r) Financial instruments

With the exception of the listed investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

s) Foreign exchange

Monetary assets and liabilities in foreign currencies are translated into dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the net incoming resources for the year.

2a Income from donations

	Unrestricted $	Restricted $	**2023 Total $**	Unrestricted $	Restricted $	2022 Total $
Donations re: Scholarship Programme	–	137,854	**137,854**	–	175,180	175,180
Half Marathon - Scholarship Programme		–	**–**		7,802	7,802
Donations	49,893	106,252	**156,145**	11,896	72,464	84,360
	49,893	244,106	**293,999**	11,896	255,446	267,342

2b Income from charitable activities

	Unrestricted $	Restricted $	**2023 Total $**	Unrestricted $	Restricted $	2022 Total $
The Asfari Foundation	30,448	–	**30,448**	–	122,179	122,179
The Amjad & Shua Bseisu Foundation	570	5,700	**6,270**	–	–	–
Physics X	76	18,478	**18,554**	–	–	–
Open Society Foundation	11,818	118,182	**130,000**	–	–	–
Arab Center for Research and Policy	113,492	1,668,491	**1,781,983**	14,672	167,172	181,844
	156,404	1,810,851	**1,967,255**	14,672	289,351	304,023

2c Income from trading

	Unrestricted $	Restricted $	**2023 Total $**	Unrestricted $	Restricted $	2022 Total $
Sale of goods	1,494	–	**1,494**	755	–	755

3a Total resources expended (current year)

	Charitable Activities						
	Raising funds # $	Scholarship programme $	Other projects $	Governance Costs $	Support Costs $	**2023 Total $**	2022 Total $
Staff costs (Note 6)	–	–	–	–	101,805	**101,805**	69,854
Audit and accountancy	–	–	–	13,714	11,751	**25,465**	21,309
Administration expenses	–	–	–	–	25,988	**25,988**	21,246
Grants to institutions (Note 4)	–	676,744	865,119	–	–	**1,541,863**	936,243
Bank & foreign exchange charges	–	–	–	–	4,804	**4,804**	4,832
Purchase of goods for resale	1,307	–	–	–	–	**1,307**	71
Fundraising costs	13,173	–	–	–	–	**13,173**	4,580
	14,480	**676,744**	**865,119**	**13,714**	**144,348**	**1,714,405**	1,058,135
Support costs	14,435	72,174	57,739	–	(144,348)	–	–
Governance costs	1,371	6,857	5,486	(13,714)	–	–	–
Total expenditure 2023	**30,286**	**755,775**	**928,344**	–	–	**1,714,405**	1,058,135

3b Total resources expended (prior year)

	Raising funds # $	Charitable Activities Scholarship programme $	Other projects $	Governance Costs $	Support Costs $	2022 Total $
Staff costs (Note 6)	–	–	–	–	69,854	69,854
Audit and accountancy	–	–	–	9,642	11,667	21,309
Adminstration expenses	–	–	–	–	21,246	21,246
Grants to institutions (Note 4)	–	765,752	170,491	–	–	936,243
Bank & foreign exchange charges	–	–	–	–	4,832	4,832
Purchase of goods for resale	71	–	–	–	–	71
Fundraising costs	4,580	–	–	–	–	4,580
	4,651	765,752	170,491	9,642	107,599	1,058,135
Support costs	10,760	53,799	43,040	–	(107,599)	–
Governance costs	964	4,821	3,857	(9,642)	–	–
Total expenditure 2022	16,375	824,372	217,388	–	–	1,058,135

4 Grant making

	2023 Grants to institutions	2022 Grants to institutions
	$	$
Cost		
Mada Al-Carmel: Arab Centre for Applied Social Research – to support research project	**395,000**	–
Mada Al-Carmel: Arab Centre for Applied Social Research – to support PHD students	**75,500**	75,500
Yaffa Youth Movement Association (YYMA)	**82,966**	–
The Arab Culture Association: to support the Scholarship Programme	**676,744**	765,752
The Arab Culture Association: to support the Alumni Programme	**39,791**	
Challenge to Change – Galilee Foundation She Codes programme	**8,325**	–
Al-Quds University Economic Empowerment Strategy – Youth Economic Empowerment	**183,741**	–
Al-Quds University Scholarship Programme	**19,805**	25,000
Adalaha Legal Centre	**40,000**	–
Baladna Assoc.: Core funds	**69,991**	69,991
Total grants for the year	**1,591,863**	936,243

5 Net income for the year

This is stated after charging:

	2023 $	2022 $
Depreciation	**2,116**	1,327
Operating lease rentals:		
▪ Property	**5,835**	6,283
Auditor's remuneration (excluding VAT):		
▪ Audit	**11,428**	9,642

6 Staff costs and numbers

Staff costs were as follows:

	2023 $	2022 $
Salaries and wages	**96,436**	66,327
Staff pension costs	**4,070**	4,298
Social security costs	**1,299**	(771)
	101,805	69,854
Total emoluments paid to staff were:	**96,436**	66,327

No employee earned more than $76,039 during the year (USD equivalent of GBP 60,000) (2022: $69,703).

The total employee benefits including pension contributions of the key management personnel were $57,353 (2022: $28,153).

The average weekly number of employees (head count based on number of staff employed) during the period was 4 (2022: 3).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2022: $nil). No charity trustee received payment for professional or other services supplied to the charity (2022: $nil).

There were no trustees' expenses relating to attendance at meetings of the trustees.

7 Related party transactions

During the year donations totalling $30,448 (2022: $122,179) were received from The Asfari Foundation. The Asfari Foundation is a related party as Mrs Sawsan Asfari, a trustee of Galilee Foundation, has majority control over the Asfari Foundation with her immediate family members. Grants from the Asfari Foundation funded grants to the Arab Cultural Center (Scholarship Fund) as well as to fund the Galilee Foundation's organisational development and capacity building in accordance with the conditions of the donations.

In 2023 the charity paid $5,835 (2022: $6,283) to the Asfari Foundation in respect of the rental of office space.

$75,000 (2022: $72,464) was received from Goldman Sachs Gives on a recommendation from the Fadi Abuali Annual Giving Fund. Mr Abuali is the husband of Leila Garadaghi, a trustee of the Galilee Foundation

Other aggregate donations from related parties were $11,314 (2022: $9,276).

8 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9 Investments

	2023 $	2022 $
Fair value at the start of the period	2,552,235	2,999,366
Additions	–	–
Disposal proceeds	–	(339,334)
Net change in fair value	(17,098)	(107,797)
Fair value at the end of the period	2,535,137	2,552,235

The investments comprise an Ooredoo Intl Finance Ltd bond, a Qatar National Bank bond, and publicly listed shares in Royal Dutch Shell plc, Gilead Sciences Inc, Glaxosmithcline plc, Johnson & Jonson Inc, Pzizer Inc, Viatris Inc., and Haleon plc

10 Tangible fixed assets

	Fixtures and fittings	
	2023	2022
Cost	**$**	$
At the start of the year	**5,308**	5,308
Additions in year	**3,212**	–
Disposals in year	**(995)**	–
At the end of the year	**7,525**	5,308
Depreciation		
At the start of the year	**3,368**	2,041
Charge for the year	**2,116**	1,327
Eliminated on disposal	**(558)**	–
At the end of the year	**4,926**	3,368
Net book value		
At the start of the year	**1,940**	3,267
At the end of the year	**2,599**	1,940

All of the above assets are used for charitable purposes.

11 Debtors: amounts falling due within one year

	2023	2022
	$	$
Trade debtors	**604**	1,049
Prepayments	**1,875**	3,381
Accrued income	**338,231**	67,372
	340,710	71,802

12 Creditors: amounts falling due within one year

	2023	2022
	$	$
Trade creditors	**3,093**	1,564
Grants payable	**20,538**	50,079
Accruals	**11,786**	9,642
	35,417	61,285

13a Analysis of net assets between funds (current year)

	General unrestricted $	Designated $	Restricted $	**Total funds $**
Investments	2,535,137	–	–	**2,535,137**
Fixed assets	2,599	–	–	**2,599**
Net current assets	352,714	1,369,685	981,282	**2,703,681**
Net assets at 31 August 2023	**2,890,450**	**1,369,685**	**981,282**	**5,241,417**

Of the General Unrestricted Funds $1,369,685 are designated meaning that the charity has commited these funds to future projects.

13b Analysis of net assets between funds (prior year)

	General unrestricted $	Designated $	Restricted $	**Total funds $**
Investments	2,552,235	–	–	**2,552,235**
Fixed assets	1,940	–	–	**1,940**
Net current assets	(56,504)	1,914,000	28,478	**1,885,974**
Net assets at 31 August 2022	**2,497,671**	**1,914,000**	**28,478**	**4,440,149**

14a Movements in funds (current year)

	At 1 September 2022 $	Income & gains $	Expenditure & losses $	Transfers $	**At 31 August 2023 $**
Restricted funds:					
Mada Al-Carmel - Core Funds	7,000	395,000	(395,000)	–	**7,000**
Galilee Foundation - UK Funds	–	106,253	–	(106,253)	**–**
Scholarship Program - (Arab Cultural Association, Ferial & Mohamed Abuali Scholarship, Open Society)	–	274,413	(676,744)	402,331	**–**
Alumni Programme (Open Society)	–	82,982	(39,791)	–	**43,191**
Yaffa Youth Movement Association	–	82,964	(82,966)	2	**–**
Al-Quds Youth Economic	–	1,061,536	(183,741)	–	**877,795**
Hewar Daycare	–	–	50,000	–	**50,000**
Baladna - Association for Arab Youth	21,478	51,809	(69,991)	–	**3,296**
Total restricted funds	28,478	2,054,957	(1,398,233)	296,080	981,282
Unrestricted funds:					
Designated fund	1,914,000	–	–	(544,315)	1,369,685
General funds	2,497,671	477,814	(333,270)	248,235	2,890,450
	4,440,149	2,532,771	(1,731,503)	–	**5,241,417**

Movements in funds (continued)

Purposes of grants made - restricted funds
Yaffa Youth Movement Association (YYMA) - core funding for partner
Mada Al-Carmel: Arab Centre for Applied Social Research – to support core funding for partner
The Arab Culture Association - to support the Scholarship & Alumni Programmes.
Alumni Programme - supported by Open Society to develop alumni links
Al-Quds - to support the Scholarship & Youth Economic Empowerment Programmes
Baladna - to support studies preparation of students
Hewar Daycare - programme orginally supported from funds received from Doha Institute. The building of the daycare center is no longer progressing, and the sum shown represents the amount previously charged now credited back. Use of funds to be agreed.
Galilee Foundation UK - Support costs of the charity within the UK

Purposes of grants made - unrestricted funds
Mada Al-Carmel: Arab Centre for Applied Social Research – to support PHD Program
Al-Quds Scholarship Program
Adalah Law Centre
Challenge to Change - Work readiness & Employability
Designated funds represent the value of future commitments to scholarship students & other projects which do not meet the accounting criteria for inclusion as a liability, but which the charity is likely to need to pay out to existing students & projects.

14b Movements in funds (prior year)

	At 1 September 2021 $	Income & gains $	Expenditure & losses $	Transfers $	At 30 August 2022 $
Restricted funds:					
Mada Al-Carmel - PHD program	-	-	(75,500)	75,500	-
Mada Al-Carmel - Core Funds	7,000	-	-	-	**7,000**
Galilee Foundation - UK Funds	-	72,464	-	(72,464)	**-**
Scholarship Program - (Arab Cultural Association, Qatar Foundation for Education, Ferial & Mohamed Abuali Scholarship)	-	382,342	(765,752)	383,410	**-**
Al-Quds	-	-	(25,000)	25,000	**-**
Baladna - Association for Arab Youth	1,478	89,991	(69,991)	-	**21,478**
Total restricted funds	8,478	544,797	(936,243)	411,446	**28,478**
Unrestricted funds:					
Designated funds:	2,027,994	-	-	(113,994)	**1,914,000**
General funds	2,986,565	179,218	(370,660)	(297,452)	**2,497,671**
	5,023,037	724,015	(1,306,903)	-	**4,440,149**

15 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	2023	2022
	$	$
Less than one year	**507**	464
One to five years	**-**	-
	507	464

16 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £100.

THE GALILEE FOUNDATION

England & Wales - Charity number 1118966

Accounts

Company number: 06037771
Charity number: 1118966

The Galilee Foundation

Report and financial statements

For the year ended 31 August 2022

The Galilee Foundation is registered in England and Wales under

Charity Commission number 1118966 and Companies House number 06037771

Address: Unit A, 1-3 Canfield Place, NW6 3BT, London, UK

Telephone: +44 20 7993 8355 Email: info@galileefoundation.org.uk

www.galileefoundation.org.uk

The Galilee Foundation

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The Galilee Foundation

Reference and administrative information

For the year ended 31 August 2022

Company number	06037771
Charity number	1118966
Registered office and operational address	The Galilee Foundation Unit A, 1-3 Canfield Pl, South Hampstead London NW6 3BT United Kingdom
Country of registration	England & Wales
Country of incorporation	United Kingdom
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Marwan Bishara Sawsan Asfari Ms Leila Garadaghi Yousef Bazian Khalil Jahshan Eyad Mahameed Abdulrahman Elshayyal (Stood down April 2022) Katherine Bucknell (Appointed April 2022)
Advisory Board	Advisers do not have any formal legal responsibilities. The advisers who only offer advice and support are as follows: David Freeman Legal adviser Dina Bseisu Adviser
Key Management personnel	Marwan Bishara Chairman Sawsan Asfari Executive Director Maha Al Farra Managing Director
Bankers	Europe Arab Bank plc 35 Park Lane Mayfair London W1K 1RB

	Metro Bank One Southhampton Row London, WC1B 5HA
Accountant	Treganna Consultancy 175 Chatsworth Road London NW2 5QS
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London EC1Y 0TL

The trustees present their report and the audited financial statements for the year ended 31 August 2022.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Trustees and organisational structure

Trustees of the Galilee Foundation serve until they stand down. New trustees are nominated to fill specific gaps identified by the Trustees. When new Trustees are appointed, they are provided with the information they need to fulfil their roles, which includes information about the role of Trustees and charity law. Trustees receive updates, progress reports and publications on a regular basis.

The Trustees meet physically to govern and monitor the progress of the Charity at least once a year. They are in touch regularly on email and video conference calls. The policies and procedures are reviewed and updated annually. The Trustees delegate the day-to-day running of the charity to the Foundation's office in London.

Maha Al Farra, Communications and Fundraising Manager was promoted to Managing Director on her return from maternity leave on January 24th 2022. Cassie Woodard, Grants Manager and Heather McIntosh, Communications officer, continued in their roles. Dianne Woodward, who had covered Maha's role during her maternity leave, continued to provide administrative support in a voluntary capacity. The employees' work has been overseen by the Co-Founder and Trustee Sawsan Asfari. Tregannas Consultancy oversees and manages the Foundation's finances on a monthly basis. Marwan Bishara, Chairman and Co Founder, also lends support via a monthly Zoom meeting with the office team. The Trustees confirm that they have complied with the Charities Act 2006.

Grant making policy

The Foundation receives project proposals, however, its current projects have been solicited and developed together with the partner organisations. The Foundation drafts agreements that specify the responsibilities of its partners and the schedule of reporting. Partners are required to submit narrative and financial reports at least once per year. Our Grants Manager has regular meetings with partners to monitor progress, and also travels to Israel once per year to meet with partners in person. For sustainability of projects' achievements, the Foundation seeks to develop longstanding partnership while maintaining rigorous monitoring and evaluation procedures.

Partner Due Diligence

We have been strengthening our partner due diligence framework since the introduction of GF's formal policy document in 2019. We now require initial operational and financial assessments to be prepared for all new partners before we enter into any grants arrangements or memoranda of understanding. We regularly monitor progress of programmes and utilise a Monitoring and Evaluation framework for the assessment and internal audit of our partners.

Coronavirus Update

Since March 2020, The Galilee Foundation has taken necessary precautions as per Government virus control measures for its staff i.e. all employees have been working from home with minimal working in the office, together, usually one day per week when conditions have permitted. While these measures have not adversely impacted our day-to-day operational activities in the UK, since much of the work was already done digitally, there have been repercussions. The challenge has been to co-ordinate remote digital working and recreate the mutually supportive office atmosphere in order to maintain morale and productivity. This has been achieved with frequent virtual meetings, both regular and ad hoc, between staff, trustees, partners and volunteers etc using different digital tools depending on the reason for communication and the personnel involved. Although lockdown officially ceased in June 2021, Galilee Foundation staff have continued to use hybrid working as the norm throughout the reporting period, for convenience, preference and infection prevention.

The pandemic also strongly affected the activities of our partners, who had to substitute in-person workshops with remote workshops and run new scholarship and graduation events as multiple small, socially distanced celebrations, often outdoors. The current reporting period has seen a return to the larger single events held indoors, and in person workshops.

Our students have also been able to return to the classroom with teachers operating in a familiar environment and are now less impacted by the challenges of remote learning, availability of the infrastructure and technology for access. Increased financial hardship due to the economic effects of national lockdowns is still an issue for some however.

The virus control measures have continued to impact our fundraising events as we have still been unable to have any in-person gala events, which we would otherwise have done in 2021-22, due to the vulnerability of older donors to endemic Covid. We have mitigated this by hosting as well as participating in virtual fundraising events such as the Big Give Campaign in December 2021. In March/April 2022 we also set up a Zakat and Ramadan Appeal and we were able to hold outdoor sporting challenges, namely, the Royal Parks Half Marathon in October 2021 and Asics London 10k in July 2022.

Principal Risks and uncertainties

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to reduce and mitigate the exposure to risks. A cash flow summary is kept and regularly reviewed and updated. The Trustees have identified the following as the principal risks facing the Foundation and have controls in place for their active management:

- The risk of charitable impact not being maximised and of the wasteful use of charitable funds resulting in reputational damage. The Foundation's management mitigates this risk by conducting regular evaluation, monitoring and follow up for all projects funded by the Foundation to assess the achievement of the Foundation's charitable objectives. Furthermore, the Trustees receive regular reports from the management of the Foundation to monitor and assess the performance of the Foundation, its activities and projects it supports to ensure that grants given are used for the charitable purpose.

- The safeguarding of the Foundation's investments and the risk of generating insufficient return. To mitigate such risk, one of our trustees who has a background in the financial sector has offered to regularly monitor and review the investments portfolio and advise the Trustees accordingly.

- Safeguarding of Foundation's income and the risk of devaluation of Foundation's funds due to currency fluctuation, particularly the funds in Pound sterling. To mitigate such risk, the Trustees have placed $315k (£260k) in a fixed Sterling denominated deposit.

- The duration of the Covid19 pandemic going forward and its effect on the wider economy and fundraising environment, which will have continued impact on our fundraising strategies and necessitate exploring new avenues of fundraising.

Objectives and activities

The Galilee Foundation's objectives are to further such charitable objectives as the Trustees in their absolute discretion think fit and include the following:

(1) TO ADVANCE THE EDUCATION AT ALL LEVELS OF PALESTINIANS IN OR LIVING IN ISRAEL AND THE PALESTINIAN TERRITORIES, REGARDLESS OF GENDER OR FAITH, IN PARTICULAR BUT NOT EXCLUSIVELY BY ORGANISING AND ENCOURAGING EDUCATION, CULTURE, HERITAGE, ART, SCIENCE AND RESEARCH INITIATIVES;

(2) TO RELIEVE THE POVERTY OF PALESTINIANS IN OR LIVING IN ISRAEL AND THE PALESTINIAN TERRITORIES, REGARDLESS OF GENDER OR FAITH, IN PARTICULAR BUT NOT EXCLUSIVELY BY THE PROVISION OF ADVICE, TRAINING AND SUPPORT.

The Galilee Foundation's general areas of operation are Israel and Palestine.

To work towards these objectives, the Foundation identifies and makes grants to registered, reputable, non-political, and non-sectarian charitable organisations and research institutions for existing or new projects that meet the Foundation's objectives. These policies have not changed during the year.

In deciding what activities the charity should undertake, the Trustees have paid due regard to guidance issued by the Charity Commission including with respect to public benefit.

The Galilee Foundation's vision is to contribute to breaking the cycle of poverty and inequality faced by many Palestinian citizens of Israel as well as those in Palestine. The Foundation believes strongly that access to education is the key to making this vision a reality.

Fundraising Statement

The Galilee Foundation is able to harness the goodwill and incredible generosity of donors from across the world through the work we undertake to provide a Higher Education to Palestinian youth. We generate funds from a wide range of UK and international donors. This includes individual one-off donations, regular donations, institutional funding as well as Gift Aid. These funds are raised by the trustees, staff, volunteers and individuals who fundraise in support of the Galilee Foundation. The Galilee Foundation received several generous donations from foundations such as the Asfari Foundation and Arab Centre Research and Policy Studies to support its projects. We also received generous donations from those who took part in The Big Give 2021, Zakat and Ramadan appeals, London Asics 10K and Royal Park Half Marathon events. The Galilee Foundation also received a small number of donations from our online boutique, Amazon Smile, Give As You Live and Facebook Donate.

We communicate regularly with our supporters through newsletters, appeals, social media and emails. We provide a comprehensive picture of our activities on our website at: www.galileefoundation.org.uk as well as our social media channels and we are available to support via phone or email.

The Galilee Foundation is registered with the Fundraising Regulator and works in a way that is compliant with the Code of Fundraising Practice.

We have not received any complaints relating to fundraising. Should this happen, GF employees will record this digitally and discuss with our trustees to review.

The staff manage and monitor the fundraising work undertaken by others. Any volunteer or freelancer that works with us is required to sign a Confidentiality Agreement which we implemented in 2019. The staff also do an informal induction of activities to all new volunteers.

Project Activities in 2021/22

The Galilee Foundation's projects bring positive and lasting changes to thousands of young people through our scholarship programmes, training, access to quality education and cultural activities. The impact of the projects supported by the Foundation has been immense.

The Foundation renewed its support to most of its existing partners and continued its work towards achieving its objective of expanding the base of its beneficiaries:

- **The Scholarship Programme in Israel:** The Foundation's main programme provides university scholarships to young underprivileged Palestinian citizens of Israel. The Programme continues to be implemented in partnership with the Arab Cultural Association (ACA), the Foundation's local partner based in Haifa. In addition to financial support, the Programme supports its students through a range of training and capacity building workshops, cultural activities, and mentoring. The Scholarship is advertised publicly in local online news and social media platforms. Students are selected through rigorous application and selection procedures based on pre-sit criteria of merit and need. In addition to financial support, the Foundation requires that all scholarship recipients undertake voluntary placements to help their local communities. In the 2021/22 academic year, the Foundation was pleased to have a total of 255 students participate in the Programme.

- **Scholarship Programme with Al Quds University:** The Foundation is proud to continue its partnership with Al Quds University in East Jerusalem to support the continuing 10 disadvantaged bright students during the 2021/22 Academic Year. The students are required to participate in 120 hours of volunteer work including supporting neo-natal education for new mothers, distributing medication to patients in remote areas, and supporting children affected by conflict in Gaza.

- **Mada Al-Carmel - the Arab Centre for Applied Social Research – PhD Students Programme and Core Funds:** The Foundation partnered again with Mada Al-Carmel, which aims to support students who wish to continue their higher education and to provide them with academic training. The Programme is the first of its kind available to Palestinian PhD students. The general public, researchers, academics, journalists

and civil society organisations have benefited from the outcomes and the publications of their projects, seminars and conferences.

- **Hewar - The Arab Association for Alternative Education:** This new partnership provided funding to create the Hewar Daycare Centre. The opening of the Day Care Centre was delayed due to building permit and municipal complications, and the Centre is due open its doors in 2023. The recruitment and training of staff in the Hewar approach to early childhood education and will allow for the development of a training manual and videos. The Hewar Daycare Centre will serve 44 children and their families, and this facility will help provide future financial resilience as an income stream for Hewar.

- **Baladna Association for Arab Youth – Core Funds:** The Foundation partnered again with Baladna to support their core funding and educational materials. Baladna provides youth with the training, resources and practical tools necessary to confront discrimination and marginalisation of the Palestinian people in Israel. Their projects aim to empower Palestinian youth to become agents of positive social change who systemically map the needs of youth groups in their community and develop community projects responsive to these needs. They also aim to foster awareness of the Palestinian identity and history among Palestinian youth groups in Israel. They also work to reduce violence amongst Palestinian youth.

- **Yaffa Youth Movement Association (YYMA):** The Foundation continued its partnership with the YYMA, which aims to build a strong and democratic Palestinian-Arab community in Yaffa. They focus on developing a strong core of young leaders with a shared purpose to create change together, based on democratic values, human rights, and advancement of the community. The impact of Covid-19 and corresponding restrictions on gathering in groups meant the YYMA needed to adapt its programming during this reporting period. YYMA initiated a youth-led podcast which included episodes on Palestinian culture, cuisine and history, as well as episodes disseminating crucial information related to Covid-19 and local regulations and rights in the Arabic language. Some unspent funds will be spent in the financial year 1 Sept 22 to 31 August 23

Future Plans

In 2022-23, the Foundation plans to continue to work on establishing an alumni programme for our students so we can keep in touch with them once they graduate and monitor our impact. We will continue to develop the Scholarship Programme with our partners to enhance its training activities and efficiency.

In terms of fundraising, we will continue to develop our fundraising strategy with the aim of diversifying our funding to include more online and virtual events throughout the year as

well as hold a gala event, covid permitting, in 2023. We will continue to reach out to trusts and foundations internationally and we are attempting to increase the number of regular donors. Having expanded operationally with the hire of a part-time Communications Officer and part-time Grants Manager from January 2021 we are progressing with the aim of having solid systems and processes in place.

The Foundation continues to conduct strategic reviews to ensure that its donations help those in need most effectively and are currently working on updating our strategy with regard to the future development of the Foundation.

2022 has already indicated that the pandemic will be with us, vaccine booster rollout notwithstanding, as covid is increasingly endemic. A return to the old normality, despite the intention of us all learning to "live with it" continues to seem unlikely for the foreseeable future. The Galilee Foundation will need to continue to be flexible to adapt to the uncertain changes ahead, and the impacts these will have on operations in general and fundraising in particular.

We must continue to develop our team building strategies for the new normal of hybrid working from home and in the London office and look to seize opportunities as well as meet challenges. In the second we must encourage all stakeholders to recognize opportunities in adversity and contribute innovative ideas for fundraising or otherwise to exploit them, regardless of the conditions under which we will work this coming year. We also need to support our partners as they grapple with the local challenges that lie ahead, some of which are yet unpredictable. Finally we must recognize that it is our beneficiaries, the young people whose lives we aim to change for the better, who are most impacted by our success or failure and do everything in our power to ensure their success.

Financial Review

The Foundation continues to receive interest payments from the generous endowment fund donated by the State of Qatar for the provision of university scholarships.

Total expenditure of the Foundation on projects, generating funds and operational costs from I September 2021 until 31 August 2022 was USD1,058,135 while the majority of the Foundation's expenditure went towards the projects, totalling USD936,243. The Scholarship Programme remains the Foundation's core and largest project, with the majority of project expenditure allocated to it.

Investment Policy

The Galilee Foundation has an Investment Committee comprised of the Chairman, Executive Director and a Trustee with over three decades of financial experience. The Investment Committee advises the board on appropriate investments, monitor performance,

recommend the appointment of advisers, liaise with advisers, and report to the board. The Investment Committee mandate also manages the investment portfolio on a low risk, low volatility basis, with a view to generating income over the long term. Before each investment or de-investment decision is made, the investment committee consults with at least three outside financial advisors to ensure maximum diligence.
The objective of the Foundation's current investments portfolio is to ensure capital preservation and generate investment income by seeking to produce financial returns at acceptable low level of risk. The Endowment Fund is in a separate account and is invested in state bonds and some blue chip shares in the amount that does not exceed 15 percent of the total. The results over the past decade have been quite satisfactory. The interest on the investments of this fund is used primarily for the Foundation' s Scholarship Programme.

Reserves Policy and Going Concern

The Galilee Foundation is currently dependent on a range of sources of income to sustain its activities. Previously, the Galilee Foundation would hold a biennial fundraising gala dinner. In 2020-21 and in 2021-22 this was impossible due to covid, lockdowns and the lack of appetite for attending such events even out of lockdown As a result, Galilee has had to rely on income from its investments, annual donations from a few foundations and several individual donors. Some income was generated from the online shop and other virtual/online fundraising events as mentioned above

The Foundation plans its fundraising in advance having a 24 month view of cash flow.

To avoid closure if funding difficulties were to happen to the Foundation, the Board of Trustees has agreed to keep a certain level of financial reserves to ensure that its main operations can continue for a period of 12 months. It has been calculated that reserves of USD141,711 would be needed to continue operating at a minimal level for at least 12 months.

The Foundation's consolidated balance sheet remains strong with net current assets of USD1,885,974. The trustees have reviewed the circumstances of the Galilee Foundation and consider that adequate resources continue to be available to fund its activities for the foreseeable future. The trustees are of the view that the Galilee Foundation is a going concern.

Audit information

The Trustees confirm that there is no relevant information of which the charitable company's auditor is unaware. The Trustees have taken all reasonable steps to make themselves aware of any relevant audit information.

Remuneration policy for key management personnel

The Trustees consider the board of Trustees and the senior management team the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in Note 2 to the accounts. There are currently three part-time employees and their pay is determined by the Executive Director and Chairman.

Statement of responsibilities of the trustees

The trustees (who are also directors of The Galilee Foundation for the purposes of company law) are responsible for approving the trustees' annual 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 then 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 August 2022 was 7. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 8 March 2023 and signed on their behalf by

Sawsan Asfari
Executive Director & Trustee

Opinion

We have audited the financial statements of Galilee Foundation (the 'charitable company') for the year ended 31 August 2022 which comprise the statement of financial activities, balance sheet, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 August 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the trustees' 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.

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
- 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 in relation to which 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'

exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 the 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 judgment 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 purpose of expressing an opinion on the effectiveness of the entity'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 entity'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 entity 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.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sayer Vincent LLP

Jonathan Orchard (Senior statutory auditor)
19 April 2023
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Galilee Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 August 2022

	Note	Unrestricted $	Restricted $	2022 Total $	Unrestricted $	Restricted $	2021 Total $
Income from:							
Donations and legacies	2a	11,896	255,446	**267,342**	125,493	66,795	192,288
Charitable activities							
Scholarship programme	2b	7,718	199,360	**207,078**	–	77,305	77,305
Other projects	2b	6,954	89,991	**96,945**	44,500	450,000	494,500
Other trading activities	2c	755	–	**755**	12,103	–	12,103
Other Income	2d	–	–	**–**	223,420	–	223,420
Investments		151,895	–	**151,895**	204,077	–	204,077
Total income		179,218	544,797	**724,015**	609,593	594,100	1,203,693
Expenditure on:							
Raising funds		16,304	–	**16,304**	16,759	–	16,759
Other trading activities		71	–	**71**	4,655	–	4,655
Charitable activities							
Scholarship programme		58,620	765,752	**824,372**	67,773	775,254	843,027
Other projects		46,897	170,491	**217,388**	54,218	450,000	504,218
Total expenditure	3a	121,892	936,243	**1,058,135**	143,405	1,225,254	1,368,659
Net income / (expenditure) before net gains / (losses) on investments		57,326	(391,446)	**(334,120)**	466,188	(631,154)	(164,966)
Net (losses) / gains on investments	9	(107,797)	**–**	**(107,797)**	167,799	**–**	167,799
Net (expenditure) / income before other recognised gains and losses		(50,471)	(391,446)	**(441,917)**	633,987	(631,154)	2,833
(Losses) / gains on foreign exchange		(140,971)	–	**(140,971)**	15,858	–	15,858
Transfers		(411,446)	411,446	**–**	(333,270)	333,270	–
Net movement in funds	14a	(602,888)	20,000	**(582,888)**	316,575	(297,884)	18,691
Reconciliation of funds:							
Total funds brought forward		5,014,559	8,478	**5,023,037**	4,697,984	306,362	5,004,346
Total funds carried forward		4,411,671	28,478	**4,440,149**	5,014,559	8,478	5,023,037

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14a to the financial statements.

The Galilee Foundation

Balance sheet

Company no. 06037771

As at 31 August 2022

	Note	$	2022 $	$	2021 $
Fixed assets:					
Investments	9		**2,552,235**		2,999,366
Tangible Fixed Assets	10		**1,940**		3,267
			2,554,175		3,002,633
Current assets:					
Debtors	11	**71,802**		85,231	
Cash at bank and in hand		**1,875,457**		2,094,874	
		1,947,259		2,180,105	
Liabilities:					
Creditors: amounts falling due within one year	12	**61,285**		159,701	
Net current assets			**1,885,974**		2,020,404
Total net assets			**4,440,149**		5,023,037
The funds of the charity:	13a				
Restricted funds			**28,478**		8,478
Unrestricted funds					
Designated funds		**1,914,000**			2,027,994
General funds		**2,497,671**			2,986,565
Total Unrestricted Funds			**4,411,671**		
Total charity funds			**4,440,149**		5,023,037

Approved by the trustees on 8 March 2023 and signed on their behalf by

Sawsan Asfari
Executive Director & Trustee

The Galilee Foundation

Statement of cash flows

For the year ended 31 August 2022

	Note	2022		2021	
		$	$	$	$
Cash flows from operating activities					
Net (expenditure) / income for the reporting period (as per the statement of financial activities)			**(582,888)**		18,691
Depreciation	5		**1,327**		1,327
Losses / (gains) from foreign exchange			**140,971**		(15,858)
Losses / (gains) on investments	9		**107,797**		(167,799)
Dividends and interest from investments			**(151,895)**		(204,077)
Profit on the sale of fixed assets			**-**		(223,420)
Decrease in stocks			**-**		2,079
Decrease in debtors	11		**13,429**		21,486
Decrease in creditors	12		**(98,416)**		(79,409)
Net cash used in operating activities			**(569,675)**		(646,980)
Cash flows from investing activities:					
Dividends, interest and rents from investments		**151,895**		204,077	
Purchase of investments		**-**		(1,829)	
Proceeds from sale of investments	9	**339,334**		547,265	
Net cash provided by investing activities			**491,229**		749,513
Change in cash and cash equivalents in the year			**(78,446)**		102,533
Cash and cash equivalents at the beginning of the year			**2,094,874**		1,976,483
Change in cash and cash equivalents due to exchange rate movements			**(140,971)**		15,858
Cash and cash equivalents at the end of the year			**1,875,457**		2,094,874

Analysis of cash and cash equivalents

	At 31 August 2021 $	Cash flows $	Other changes $	**At 31 August 2022 $**
Cash in hand	2,094,874	(78,446)	(140,971)	**1,875,457**
Total cash and cash equivalents	2,094,874	(78,446)	(140,971)	**1,875,457**

1 Accounting policies

a) Statutory information

Galilee Foundation is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is Unit A, 1-3 Canfield Pl, South Hampstead, London NW6 3BT.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Functional and presentation currency

These financial statements are presented in US$, which is the Company's functional currency.

d) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

e) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

f) Income

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.
Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

i) Expenditure and irrecoverable VAT

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

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of the scholarship programme and other educational activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

j) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- Raising Funds 10%
- Scholarship programme 50%
- Other projects 40%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £750. Depreciation is charged on a straight line basis at 25%

n) Debtors

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

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1 Accounting policies (continued)

q) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

r) Financial instruments

With the exception of the listed investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

s) Foreign exchange

Monetary assets and liabilities in foreign currencies are translated into dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the net incoming resources for the year.

2a Income from donations

	Unrestricted $	Restricted $	**2022 Total $**	Unrestricted $	Restricted $	2021 Total $
General Donations re: Scholarship Programme	–	175,180	**175,180**	–	66,795	66,795
Half Marathon - Scholarship Programme		7,802	**7,802**	–	–	–
General Donations	11,896	72,464	**84,360**	125,493	–	125,493
	11,896	255,446	**267,342**	125,493	66,795	192,288

2b Income from charitable activities

	Unrestricted $	Restricted $	**2022 Total $**	Unrestricted $	Restricted $	2021 Total $
The Asfari Foundation	–	122,179	**122,179**		77,305	77,305
Arab Center for Research and Policy	14,672	167,172	**181,844**	44,500	450,000	494,500
	14,672	289,351	**304,023**	44,500	527,305	571,805

2c Income from trading

	Unrestricted $	Restricted $	**2022 Total $**	Unrestricted $	Restricted $	2021 Total $
Sale of goods	755	–	**755**	12,103	–	12,103

2d Other income

	Unrestricted	Restricted	**2022 Total**	Unrestricted	Restricted	2021 Total
	$	$	**$**	$	$	$
Investment compensation	–	–	**–**	223,420	–	223,420

During 2021 the Foundation received compensation from an external investment manager to compensate it for losses on an investment fund.

3a Total resources expended (current year)

	Charitable Activities						
	Raising funds $	Scholarship programme $	Other projects $	Governance Costs $	Support Costs $	**2022 Total $**	2021 Total $
Staff costs (Note 6)	–	–	–	–	69,854	**69,854**	85,117
Consultancy fees	–	–	–	–	–	**–**	1,040
Audit and accountancy	–	–	–	9,642	11,667	**21,309**	21,665
Adminstration expenses	–	–	–	–	21,246	**21,246**	21,033
Grants to institutions (Note 4)	–	765,752	170,491	–	–	**936,243**	1,225,254
Bank & foreign exchange charges	–	–	–	–	4,832	**4,832**	6,691
Purchase of goods for resale	71	–	–	–	–	**71**	4,655
Fundraising costs	4,580	–	–	–	–	**4,580**	3,204
	4,651	**765,752**	**170,491**	**9,642**	**107,599**	**1,058,135**	1,368,659
Support costs	10,760	53,799	43,040	–	(107,599)	–	–
Governance costs	964	4,821	3,857	(9,642)	–	–	–
Total expenditure 2022	**16,375**	**824,372**	**217,388**	–	–	**1,058,135**	1,368,659

3b Total resources expended (prior year)

	Charitable Activities					
	Raising funds	Scholarship programme	Other projects	Governance Costs	Support Costs	2021 Total
	$	$	$	$	$	$
Staff costs (Note 6)	–	–	–	–	85,117	**85,117**
Consultancy fees	–	–	–	–	1,040	**1,040**
Audit and accountancy	–	–	–	11,350	10,315	**21,665**
Adminstration expenses	–	–	–	–	21,033	**21,033**
Grants to institutions (Note 6)	–	775,254	450,000	–	–	**1,225,254**
Bank & foreign exchange charges	–	–	–	–	6,691	**6,691**
Purchase of goods for resale	4,655	–	–	–	–	**4,655**
Fundraising costs	3,204	–	–	–	–	**3,204**
	7,859	**775,254**	**450,000**	**11,350**	**124,196**	**1,368,659**
Support costs	12,420	62,098	49,678	–	(124,196)	–
Governance costs	1,135	5,675	4,540	(11,350)	–	–
Total expenditure 2021	**21,414**	**843,027**	**504,218**	–	–	**1,368,659**

4 Grant making

	2022 Grants to institutions $	2021 Grants to institutions $
Cost		
Mada Al-Carmel: Arab Centre for Applied Social Research – to support research project	**–**	250,000
Mada Al-Carmel: Arab Centre for Applied Social Research – to support PHD students	**75,500**	–
Hewar Daycare project	**–**	200,000
The Arab Culture Association: to support the Scholarship Programme	**765,752**	775,254
Al-Quds University Scholarship Programme	**25,000**	–
Baladna Assoc.: Core funds	**69,991**	–
Total grants for the year	**936,243**	1,225,254

5 Net expenditure for the year

This is stated after charging:

	2022 $	2021 $
Depreciation	**1,327**	1,327
Operating lease rentals:		
▪ Property	**6,283**	6,603
Auditor's remuneration (excluding VAT):		
▪ Audit	**9,642**	9,457

6 Staff costs and numbers

Staff costs were as follows:

	2022 $	2021 $
Salaries and wages	**66,327**	78,480
Staff pension costs	**4,298**	4,170
Social security costs	**(771)**	2,467
	69,854	85,117
Total emoluments paid to staff were:	**66,327**	78,480

No employee earned more than $69,703 during the year (USD equivalent of GBP 60,000) (2021: $nil).

The total employee benefits including pension contributions of the key management personnel were $28,153 (2021: $38,671).

The average weekly number of employees (head count based on number of staff employed) during the period was 3 (2021: 3).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: $nil). No charity trustee received payment for professional or other services supplied to the charity (2021: $nil).

There were no trustees' expenses relating to attendance at meetings of the trustees.

7 Related party transactions

During the year donations totalling $122,179 (2021: $77,305) were received from The Asfari Foundation. The Asfari Foundation is a related party as Mrs Sawsan Asfari, a trustee of Galilee Foundation, has majority control over the Asfari Foundation with her immediate family members. Grants from the Asfari Foundation funded grants to the Arab Cultural Center (Scholarship Fund) and a grant to cover costs related to the expansion of the Scholarship Programme to Al-Quds, as well as to fund the Galilee Foundation's organisational development and capacity building in accordance with the conditions of the donations.

In 2022 the charity paid $6,283 (2021: $6,603) to the Asfari Foundation in respect of the rental of office space.

$nil (2021: $14,487) was received from The Galilee Foundation USA Limited, an American non-profit charitable, cultural, and educational organization incorporated in the District of Columbia. One of its trustees is also a trustee of the Galilee Foundation.

$72,464 (2021: nil) was received from Goldman Sachs Gives on a recommendation from the Fadi Abuali Annual Giving Fund. Mr Abuali is the husband of Leila Garadaghi, a trustee of the Galilee Foundation

Other aggregate donations from related parties were $9,276 (2021: $9,114).

8 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9 Investments

	2022	2021
	$	$
Fair value at the start of the period	**2,999,366**	3,153,583
Additions	**-**	1,829
Disposal proceeds	**(339,334)**	(323,845)
Net change in fair value	**(107,797)**	167,799
Fair value at the end of the period	**2,552,235**	2,999,366

The investments comprise an Ooredoo Intl Finance Ltd bond, a Qatar National Bank bond, and publicly listed shares in Royal Dutch Shell plc, Gilead Sciences Inc, Glaxosmithcline plc, Johnson & Jonson Inc, Pzizer Inc, Viatris Inc., and Haleon plc

10 Tangible fixed assets

	Fixtures and fittings	
	2022	2021
Cost	**$**	$
At the start of the year	**5,308**	5,308
Additions in year	**–**	–
Disposals in year	**–**	–
At the end of the year	**5,308**	5,308
Depreciation		
At the start of the year	**2,041**	714
Charge for the year	**1,327**	1,327
Eliminated on disposal	**–**	–
At the end of the year	**3,368**	2,041
Net book value		
At the start of the year	**3,267**	4,594
At the end of the year	**1,940**	3,267

All of the above assets are used for charitable purposes.

11 Debtors: amounts falling due within one year

	2022	2021
	$	$
Trade debtors	**1,049**	3,487
Prepayments	**3,381**	1,872
Accrued income	**67,372**	79,872
	71,802	85,231

12 Creditors: amounts falling due within one year

	2022	2021
	$	$
Trade creditors	**1,564**	651
Grants payable	**50,079**	147,700
Accruals	**9,642**	11,350
	61,285	159,701

13a Analysis of net assets between funds (current year)

	General unrestricted $	Designated $	Restricted $	Total funds $
Investments	2,552,235	–	–	**2,552,235**
Fixed assets	1,940	–	–	**1,940**
Net current assets	(56,504)	1,914,000	28,478	**1,885,974**
Net assets at 31 August 2022	**2,497,671**	**1,914,000**	**28,478**	**4,440,149**

Of the General Unrestricted Funds £1,914,000 are designated meaning that the charity has commited these funds to future projects.

13b Analysis of net assets between funds (prior year)

	General unrestricted $	Designated $	Restricted $	Total funds $
Investments	2,999,366	–	–	**2,999,366**
Fixed assets	3,267	–	–	**3,267**
Net current assets	(16,068)	2,027,994	8,478	**2,020,404**
Net assets at 31 August 2021	**2,986,565**	**2,027,994**	**8,478**	**5,023,037**

14a Movements in funds (current year)

	At 1 September 2021 $	Income & gains $	Expenditure & losses $	Transfers $	At 31 August 2022 $
Restricted funds:					
Mada Al-Carmel - PHD program	–	–	(75,500)	75,500	**–**
Mada Al-Carmel - Cores Funds	7,000	–	–	–	**7,000**
Galilee Foundation - UK Funds	–	72,464		(72,464)	**–**
Scholarship Program - (Arab Cultural Association, Ferial & Mohamed Abuali Scholarship)	–	382,342	(765,752)	383,410	**–**
Al-Quds	–	–	(25,000)	25,000	**–**
Baladna - Association for Arab Youth	1,478	89,991	(69,991)	–	**21,478**
Total restricted funds	8,478	544,797	(936,243)	411,446	**28,478**
Unrestricted funds:					
Designated fund	2,027,994	–	–	(113,994)	**1,914,000**
General funds	2,986,565	179,218	(370,660)	(297,452)	**2,497,671**
	5,023,037	724,015	(1,306,903)	–	**4,440,149**

Purposes of grants made - restricted funds

Mada Al-Carmel: Arab Centre for Applied Social Research – to support Core funding & PHD Program
The Arab Culture Association - to support the Scholarship Programme.
Al-Quds - to support the Scholarship Programme
Baladna - to support studies preparation of students
Galilee Foundation UK - Support costs of the charity within the UK

Designated funds represent the value of future commitments to scholarship students which do not meet the accounting criteria for inclusion as a liability, but which the charity is likely to need to pay out to existing students.

14b Movements in funds (prior year)

	At 1 September 2020 $	Income & gains $	Expenditure & losses $	Transfers $	At 30 August 2021 $
Restricted funds:					
Mada Al-Carmel - Core Funds	7,000	250,000	(250,000)	-	**7,000**
Hewar Daycare Centre	-	200,000	(200,000)	-	**-**
Scholarship Program - (Arab Cultural Association, Qatar Foundation for Education, Ferial & Mohamed Abuali Scholarship)	297,884	144,100	(775,254)	333,270	**-**
Baladna - Association for Arab Youth	1,478	-	-	-	**1,478**
Total restricted funds	306,362	594,100	(1,225,254)	333,270	**8,478**
Unrestricted funds:					
Designated funds:	-	-	-	2,027,994	**2,027,994**
General funds	4,796,104	793,772	(143,927)	(2,361,624)	**2,986,565**
	5,102,466	1,387,872	(1,369,181)	(2,027,994)	**5,023,037**

15 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	2022 $	2021 $
Less than one year	**464**	550
One to five years	**-**	-
	464	550

16 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

THE GALILEE FOUNDATION

England & Wales - Charity number 1118966

Accounts

Company number: 06037771
Charity number: 1118966

The Galilee Foundation

Report and financial statements

For the year ended 31 August 2021

The Galilee Foundation is registered in England and Wales under

Charity Commission number 1118966 and Companies House number 06037771

Address: Unit A, 1-3 Canfield Place, NW6 3BT, London, UK

Telephone: +44 20 7993 8355 Email: info@galileefoundation.org.uk

www.galileefoundation.org.uk

The Galilee Foundation

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The Galilee Foundation

Reference and administrative information

For the year ended 31 August 2021

Company number	06037771
Charity number	1118966
Registered office and operational address	The Galilee Foundation Unit A, 1-3 Canfield Pl, South Hampstead London NW6 3BT United Kingdom
Country of registration	England & Wales
Country of incorporation	United Kingdom
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Marwan Bishara Sawsan Asfari Ms Leila Garadaghi Yousef Bazian Khalil Jahshan Eyad Mahameed Abdulrahman Elshayyal
Advisory Board	Advisers do not have any formal legal responsibilities. The advisers who only offer advice and support are as follows: David Freeman — Legal adviser Dina Bseisu — Adviser
Key Management personnel	Marwan Bishara — Chairman Sawsan Asfari — Executive Director Maha Al Farra — Communications & Fundraising Manager Dianne Woodward — Interim Fundraising & Communications Manager (covering maternity leave)
Bankers	Europe Arab Bank plc 35 Park Lane Mayfair London W1K 1RB

	Qatar National Bank *(closed as of October 2019)* 51 Grosvenor Street London W1K 3HH
	Metro Bank One Southhampton Row London, WC1B 5HA
Accountant	Tregannas Consultancy 175 Chatsworth Road London NW2 5QS
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London EC1Y 0TL

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

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102. This trustees' annual report includes a directors' report as required by company law.

Trustees and organisational structure

Trustees of the Galilee Foundation serve until they stand down. New trustees are nominated to fill specific gaps identified by the Trustees. When new Trustees are appointed, they are provided with the information they need to fulfil their roles, which includes information about the role of Trustees and charity law. Trustees receive updates, progress reports and publications on a regular basis.

The Trustees meet physically to govern and monitor the progress of the Charity at least once a year. They are in touch regularly on email and video conference calls. The policies and procedures are reviewed and updated annually. The Trustees delegate the day-to-day running of the charity to the Foundation's office in London.

Two employees, Maha Al Farra and Thomas Smith, had been running the charity and overseeing its fundraising, projects and budgets at the start of the financial year. Their positions were Communications & Fundraising Manager and Project Officer respectively. In November 2020, Thomas Smith resigned from Galilee Foundation. Job descriptions were rewritten and two part-time employees were appointed, Cassie Woodard, (Jan 2021) Grants manager and Heather McIntosh, Nov 2020) Communications officer. Maha Alfarra went on maternity leave in March 2021 and Dianne Woodward, Media and Outreach Consultant, covered her job role in a voluntary capacity. The employees' work has been overseen by the Co-Founder and Trustee Sawsan Asfari. Tregannas Consultancy oversees and manages the Foundation's finances on a monthly basis. The London based Trustees also lend support to the day-to-day running of the charity. The Trustees confirm that they have complied with the Charities Act 2006.

The organisation is a charitable company limited by guarantee, incorporated on 29/12/2006and registered as a charity on 28.4/2007.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

Grant making policy

The Foundation receives project proposals, however, its current projects have been solicited and developed together with the partner organisations. The Foundation drafts agreements that specify the responsibilities of its partners and the schedule of reporting. Partners provide regular progress reports and each project is visited at least once every two years by a representative of the Foundation. For sustainability of projects' achievements, the Foundation seeks to develop longstanding partnership while maintaining rigorous monitoring and evaluation procedures.

Partner Due Diligence

We have been strengthening our partner due diligence framework since the introduction of GF's formal policy document in 2019. We now require initial operational and financial assessments to be prepared for all new partners before we enter into any grants arrangements or memoranda of understanding. We regularly monitor progress of programmes and utilise a Monitoring and Evaluation framework for the assessment and internal audit of our partners.

Coronavirus Update

Since March 2020, The Galilee Foundation has taken necessary precautions as per Government virus control measures for its staff i.e. all employees have been working from home with minimal working in the office when conditions have permitted. While we did not foresee these measures necessarily adversely impacting our day-to-day operational activities in the UK since much of the work was already done digitally, there were repercussions. The challenge was to co-ordinate remote digital working and recreate the mutually supportive office atmosphere in order to maintain morale and productivity. This was particularly necessary with a new team in place at the start of 2021, and the one established office team member on maternity leave. This was achieved with frequent virtual meetings, both regular and ad hoc, between staff, trustees, partners and volunteers etc using different digital tools depending on the reason for communication and the personnel involved. Since the control measures continued into all of 2021 these strategies were used throughout the reporting period and beyond and proved adequate even if not ideal.

The pandemic also strongly affected the activities of our partners, who had to substitute in-person workshops with remote workshops and run new scholarship and graduation events as multiple small, socially distanced celebrations, often outdoors.

Our students continued to be impacted by the challenges of remote learning, availability of the infrastructure and technology to access this and the quality of provision by teachers operating in an unfamiliar environment. Some of them also experienced increased financial hardship due to the economic effects of national lockdowns.

The virus control measures have, however, impacted our fundraising events as we have been unable to have any in-person gala events, which we would otherwise have done in 2021. We have mitigated this by hosting as well as participating in virtual fundraising events such as the Big Give Campaign in December2020. We also held an online auction in December 2020, and a screen of "The Present" followed by a Q&A with the Director, Farah Nabulsi in March 2021. In April 2021 we also set up a Zakat and Ramadan Appeal and we were able to hold outdoor sporting challenges, viz, Asics 10k in July.

Principal Risks and uncertainties

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to reduce and mitigate the exposure to risks. A cash flow summary is kept and regularly reviewed and updated. The Trustees have identified the following as the principal risks facing the Foundation and have controls in place for their active management:

- The risk of charitable impact not being maximised and of the wasteful use of charitable funds resulting in reputational damage. The Foundation's management mitigates this risk by conducting regular evaluation, monitoring and follow up for all projects funded by the Foundation to assess the achievement of the Foundation's charitable objectives. Furthermore, the Trustees receive regular reports from the management of the Foundation to monitor and assess the performance of the Foundation, its activities and projects it supports to ensure that grants given are used for the charitable purpose.

- The safeguarding of the Foundation's investments and the risk of generating insufficient return. To mitigate such risk, one of our trustees who has a background in the financial sector has offered to regularly monitor and review the investments portfolio and advise the Trustees accordingly.

- Safeguarding of Foundation's income and the risk of devaluation of Foundation's funds due to currency fluctuation, particularly the funds in Pound sterling. To mitigate such risk, the Trustees have placed $300k (£218k) in a fixed sterling denominated deposit.

- The duration of the Covid19 pandemic going forward and its effect on the wider economy and fundraising environment, which will have continued impact on our fundraising strategies and necessitate exploring new avenues of fundraising.

Objectives and activities

The Galilee Foundation's objectives are to further such charitable objectives as the Trustees in their absolute discretion think fit and include the following:

(1) TO ADVANCE THE EDUCATION AT ALL LEVELS OF PALESTINIANS IN OR LIVING IN ISRAEL AND THE PALESTINIAN TERRITORIES, REGARDLESS OF GENDER OR FAITH, IN PARTICULAR BUT NOT EXCLUSIVELY BY ORGANISING AND ENCOURAGING EDUCATION, CULTURE, HERITAGE, ART, SCIENCE AND RESEARCH INITIATIVES;
(2) TO RELIEVE THE POVERTY OF PALESTINIANS IN OR LIVING IN ISRAEL AND THE PALESTINIAN TERRITORIES, REGARDLESS OF GENDER OR FAITH, IN PARTICULAR BUT NOT EXCLUSIVELY BY THE PROVISION OF ADVICE, TRAINING AND SUPPORT.

The Galilee Foundation's general areas of operation are Israel and Palestine.

To work towards these objectives, the Foundation identifies and makes grants to registered, reputable, non-political, and non-sectarian charitable organisations and research institutions for existing or new projects that meet the Foundation's objectives. These policies have not changed during the year.

In deciding what activities the charity should undertake, the Trustees have paid due regard to guidance issued by the Charity Commission including with respect to public benefit.

The Galilee Foundation's vision is to contribute to breaking the cycle of poverty and inequality faced by many Palestinian citizens of Israel as well as those in Palestine. The Foundation believes strongly that access to education is the key to making this vision a reality.

Fundraising Statement

The Galilee Foundation is able to harness the goodwill and incredible generosity of donors from across the world through the work we undertake to provide a Higher Education to Palestinian youth. We generate funds from a wide range of UK and international donors. This includes individual one-off donations, regular donations, institutional funding as well as Gift Aid. These funds are raised by the trustees, staff, volunteers and individuals who fundraise in support of the Galilee Foundation. The Galilee Foundation received several generous donations from foundations such as the Asfari Foundation and Arab Centre Research and Policy Studies to support its projects. The Galilee Foundation also received a number of smaller donations from our new initiatives with our online boutique, Amazon Smile, Give As You Live and Facebook Donate. We also received generous donations from those who took part in our Move4jerusalem, The Big Give, a screening of "The Present" Zakat and Ramadan appeals and Asics 10K events.

We communicate regularly with our supporters through newsletters, appeals, social media and emails. We provide a comprehensive picture of our activities on our website at: www.galileefoundation.org.uk as well as our social media channels and we are available to support via phone or email.

The Galilee Foundation is registered with the Fundraising Regulator and works in a way that is compliant with the Code of Fundraising Practice.

We have not received any complaints relating to fundraising. Should this happen, GF employees will record this digitally and discuss with our trustees to review.

The staff manage and monitor the fundraising work undertaken by others. Any volunteer or freelancer that works with us is required to sign a Confidentiality Agreement which we implemented in 2019. The staff also do an informal induction of activities to all new volunteers.

Project Activities in 2020/21

The Galilee Foundation's projects bring positive and lasting changes to thousands of young people through our scholarship programmes, training, access to quality education and cultural activities. The impact of the projects supported by the Foundation has been immense.

The Foundation renewed its support to most of its existing partners and continued its work towards achieving its objective of expanding the base of its beneficiaries:

- **The Scholarship Programme in Israel:** The Foundation's main programme provides university scholarships to young underprivileged Palestinian citizens of Israel. The Programme continues to be implemented in partnership with the Arab Cultural Association (ACA), the Foundation's local partner based in Haifa. In addition to financial support, the Programme supports its students through a range of training and capacity building workshops, cultural activities, and mentoring. The Scholarship is advertised publicly in local online news and social media platforms. Students are selected through rigorous application and selection procedures based on pre-sit criteria of merit and need. In addition to financial support, the Foundation requires that all scholarship recipients undertake voluntary placements to help their local communities. In the 2020/1 academic year, the Foundation was pleased to have supported 268 students, including 16 students supported by a generous donation from the Abuali Scholarship. In May 2021, there were protests and demonstrations in response to the potential removal of Palestinian citizens from their homes in Sheik Jarrah. While these events had an impact on the lives of our students and our staff, they did not result in any long term delays or disruptions to the Scholarship Programme activities.

- **Scholarship Programme with Al Quds University:** The Foundation is proud to continue its partnership with Al Quds University in East Jerusalem to support the continuing 18 (need to change) disadvantaged bright students from the 2019/20 Academic Year. Through the generous donation from the Abuali scholarship, we

have also provided scholarship funding to an additional eight students in the field of science and medicine. The students are required to participate in 120 hours of volunteer work such as teaching younger students, helping at orphanages, participating in cultural activities and organising conferences.

Mada Al-Carmel - Arab Centre for Applied Social Research - PhD Students Programme and Core Funds: The Foundation partnered again with Mada Al Carmel which aims to support students who wish to continue their higher education and to provide them with academic training. The Programme is the first of its kind available to Palestinian PhD students. The general public, researchers, academics, journalists and civil society organisations have benefited from the outcomes and the publications of their projects, seminars and conferences.

- Hewar The Arab Association for Alternative Education: This is a new partnership for the year 2021, providing funding for Building renovation at the Hewar Daycare Centre to include furniture and kitchen appliances and a Playground with outdoor equipment. It will pay for the recruitment and training of staff in the Hewar approach to early childhood education and will allow for the development of a training manual and videos for staff, including a nutrition manual. The Hewar Daycare Centre will serve 44 children and their families, and this facility will help provide future financial resilience as an income stream for Hewar and the grant will provide evidence of income to the Ministry of Education.

- **Baladna Association for Arab Youth – Core Funds:** The Foundation continued its partnership with Baladna to support their core funding which enabled them to develop five large-scale projects. Baladna provides youth with the training, resources and practical tools necessary to confront discrimination and marginalization of the Palestinian people in Israel. Their projects aim to empower Palestinian youth to become agents of positive social change who systemically map the needs of youth groups in their community and develop community projects responsive to these needs. They also aim to foster awareness of the Palestinian identity and history among Palestinian youth groups in Israel. They also work to reduce violence amongst Palestinian youth. The five projects combined reachat least 2,000 youth.

- **Yaffa Youth Movement Association (YYMA) – Yada Al Mustaqbal Programme:** The Foundation continued its partnership with the YYMA, which aims to build a strong and democratic Palestinian-Arab community in Yaffa. They focus on developing a strong core of young leaders with a shared purpose to create change together, based on democratic values, human rights, and advancement of the community. The impact of Covid-19 and corresponding restrictions on gathering in groups meant the YYMA could not complete all their planned activities but they will add some new workshops which will benefit the community in 2022.

Future Plans

In 2022, the Foundation plans to continue to work on establishing an alumni programme for our students so we can keep in touch with them once they graduate and monitor our impact. We will continue to develop the Scholarship Programme with our partners to enhance its training activities and efficiency.

In terms of fundraising, we will continue to develop our fundraising strategy with the aim of diversifying our funding to include more online and virtual events throughout the year as well as hold a gala event, covid permitting, in 2022. We will continue to reach out to trusts and foundations internationally as well as corporates, and we are attempting to increase the number of regular donors. We have expanded operationally as with the hire of a part-time Communications Officer and part-time Grants Manager from January 2021 with the aim of having solid systems and processes in place.

The Foundation continues to conduct strategic reviews to ensure that its donations help those in need most effectively.

2022 already indicates that the pandemic will be with us, vaccine booster rollout notwithstanding, for many more months, and that a return to the old normality, despite the intention of us all learning to "live with it" is unlikely for the foreseeable future. The Galilee Foundation will need to be flexible to adapt to the uncertain changes ahead, and the impacts these will have on operations in general and fundraising in particular.

We must continue to knit together the new team working both remotely and in the London office, by developing our team building strategies for a new normal and look to seize opportunities as well as meet challenges. In the second we must encourage all stakeholders to recognize opportunities in adversity and contribute innovative ideas for fundraising or otherwise to exploit them, regardless of the conditions under which we will work this coming year. We also need to support our partners as they grapple with the local challenges that lie ahead, some of which are yet unpredictable. Finally we must recognize that it is our beneficiaries, the young people whose lives we aim to change for the better, who are most impacted by our success or failure and do everything in our power to ensure their success.

Financial Review

The Foundation continues to receive interest payments from the generous endowment fund donated by the State of Qatar for the provision of university scholarships.

Total expenditure of the Foundation on projects, generating funds and operational costs from 31 August 2020 until 31 August 2021 was USD1,368,659 while the majority of the Foundation's expenditure went towards the projects, totalling USD1,347,245. The

Scholarship Programme remains the Foundation's core and largest project, with the majority of project expenditure allocated to it.

Investment Policy

The Galilee Foundation has an Investment Committee comprised of the Chairman, Executive Director and a Trustee with over three decades of financial experience. The Investment Committee advises the board on appropriate investments, monitor performance, recommend the appointment of advisers, liaise with advisers, and report to the board. The Investment Committee mandate also manages the investment portfolio on a low risk, low volatility basis, with a view to generating income over the long term. Before each investment or de-investment decision is made, the investment committee consults with at least three outside financial advisors to ensure maximum diligence.

The objective of the Foundation's current investments portfolio is to ensure capital preservation and generate investment income by seeking to produce financial returns at acceptable low level of risk. The Endowment Fund is in a separate account and is invested in state bonds and some blue chip shares in the amount that does not exceed 15 percent of the total. The results over the past decade have been quite satisfactory. The interest on the investments of this fund is used primarily for the Foundation' s Scholarship Programme.

Reserves Policy and Going Concern

The Galilee Foundation is currently dependent on a range of sources of income to sustain its activities. Previously, the Galilee Foundation would hold a biennial fundraising gala dinner. In October 2019, the Galilee Foundation replaced the gala dinner with a joint fundraiser with the Andrea Bocelli Foundation in order to secure restricted funds for our programmes. In 2020-21 this was impossible due to covid, lockdowns and the lack of appetite for attending such events even out of lockdown As a result, Galilee has had to rely on income from its investments, annual donations from a few foundations and several individual donors. Some income was generated from the online shop and other virtual/online fundraising events were held as mentioned above.

We intend to increase our fundraising income from other foundations and continue to offer financial support in future years. Should we not raise USD450,000 we will continue to offer financial support but to fewer students.

The Foundation plans its fundraising in advance having a 24 month view of cash flow.

To avoid closure if funding difficulties were to happen to the Foundation, the Board of Trustees has agreed to keep a certain level of financial reserves to ensure that its main operations can continue for a period of 12 months. It has been calculated that reserves of

USD128,196 would be needed to continue operating at a minimal level for at least 12 months.

The Foundation's consolidated balance sheet remains strong with net current assets of USD2,020,404. The trustees have reviewed the circumstances of the Galilee Foundation and consider that adequate resources continue to be available to fund its activities for the foreseeable future. The trustees are of the view that the Galilee Foundation is a going concern.

In the interests of greater transparency, the Trustees have decided to show the Unrestricted Funds of the charity split between Designated and General Funds, where the amount shown for Designated represents those funds which the charity has committed to spend in future years, specifically in support of the Scholarship Programme.

Audit information

The Trustees confirm that there is no relevant information of which the charitable company's auditor is unaware. The Trustees have taken all reasonable steps to make themselves aware of any relevant audit information.

Remuneration policy for key management personnel

The Trustees consider the board of Trustees and the senior management team the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in Note 2 to the accounts. There are currently three part-time employees and their pay is determined by the Executive Director and Chairman.

Statement of responsibilities of the trustees

The trustees (who are also directors of The Galilee Foundation for the purposes of company law) are responsible for approving the trustees' annual 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 then 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 August 2021 was 7. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 30 May 2022 and signed on their behalf by

Sawsan Asfari
Executive Director & Trustee

Opinion

We have audited the financial statements of Galilee Foundation (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, balance sheet, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 Galilee Foundation'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 trustees' 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.

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
- 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 in relation to which 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'

exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, internal audit and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:

- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent

permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)
31 May 2022
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Galilee Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 August 2021

	Note	Unrestricted $	Restricted $	2021 Total $	Unrestricted $	Restricted $	2020 Total $
Income from:							
Donations and legacies	2a	125,493	66,795	**192,288**	18,285	447,402	465,687
Charitable activities							
Scholarship programme	2d	–	77,305	**77,305**	45,000	546,967	591,967
Other projects	2d	44,500	450,000	**494,500**	13,500	270,000	283,500
Other trading activities	2b	12,103	–	**12,103**	7,429	–	7,429
Other Income	2c	223,420	–	**223,420**	–	–	
Investments		204,077	–	**204,077**	172,247	–	172,247
Total income		609,593	594,100	**1,203,693**	256,461	1,264,369	1,520,830
Expenditure on:							
Raising funds		16,759	–	**16,759**	38,286	–	38,286
Other trading activities		4,655	–	**4,655**	3,804	–	3,804
Charitable activities							
Scholarship programme		67,773	775,254	**843,027**	76,758	798,763	875,521
Other projects		54,218	450,000	**504,218**	65,776	317,216	382,992
Total expenditure	3a	143,405	1,225,254	**1,368,659**	184,624	1,115,979	1,300,603
Net income / (expenditure) before net gains / (losses) on investments		466,188	(631,154)	**(164,966)**	71,837	148,390	220,227
Net gains / (losses) on investments	9	167,799	–	**167,799**	(282,569)	–	(282,569)
Net income / (expenditure) before other recognised gains and losses		633,987	(631,154)	**2,833**	(210,732)	148,390	(62,342)
Gains on foreign exchange		15,858	–	**15,858**	132,613	–	132,613
Transfers		(333,270)	333,270	**–**	(20,000)	20,000	–
Net movement in funds	13a	316,575	(297,884)	**18,691**	(98,120)	168,390	70,270
Reconciliation of funds:							
Total funds brought forward		4,697,984	306,362	**5,004,346**	4,796,104	137,972	4,934,076
Total funds carried forward		5,014,559	8,478	**5,023,037**	4,697,984	306,362	5,004,346

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 13a to the financial statements.

The Galilee Foundation

Balance sheet

Company no. 06037771

As at 31 August 2021

	Note	$	2021 $	$	2020 $
Fixed assets:					
Investments	9		**2,999,366**		3,153,583
Tangible Fixed Assets	10		**3,267**		4,594
			3,002,633		3,158,177
Current assets:					
Debtors	11	**85,231**		106,717	
Stock		**–**		2,079	
Cash at bank and in hand		**2,094,874**		1,976,483	
		2,180,105		2,085,279	
Liabilities:					
Creditors: amounts falling due within one year	12	**159,701**		239,110	
Net current assets			**2,020,404**		1,846,169
Total net assets / (liabilities)			**5,023,037**		5,004,346
The funds of the charity:	13a				
Restricted funds			**8,478**		306,362
Unrestricted funds					
Designated funds		**2,027,994**			
General funds		**2,986,565**			
Total Unrestricted Funds			**5,014,559**		4,697,984
Total charity funds			**5,023,037**		5,004,346

Approved by the trustees on and signed on their behalf by

Mrs S Asfari
Trustee

30 May 2022

The Galilee Foundation

Statement of cash flows

For the year ended 31 August 2021

	Note	2021		2020	
		$	$	$	$
Cash flows from operating activities					
Net income for the reporting period			**18,691**		70,270
(as per the statement of financial activities)					
Depreciation			**1,327**		714
Gains from foreign exchange			**(15,858)**		(132,613)
(Gains)/losses on investments			**(167,799)**		282,569
Dividends, interest and rent from investments			**(204,077)**		(172,247)
Profit on the sale of fixed assets			**(223,420)**		-
Decrease / (increase) in stocks			**2,079**		(2,079)
Decrease / (increase) in debtors			**21,486**		(106,717)
Decrease in creditors			**(79,409)**		(1,180,721)
Net cash used in operating activities			**(646,980)**		(1,240,824)
Cash flows from investing activities:					
Dividends, interest and rents from investments		**204,077**		172,247	
Purchase of investments		**(1,829)**		(1,395,930)	
Proceeds from sale of investments		**547,265**		1,198,500	
Net cash provided by / (used in) investing activities			**749,513**		(25,182)
Change in cash and cash equivalents in the year			**102,533**		(1,266,006)
Cash and cash equivalents at the beginning of the year			**1,976,483**		3,109,876
Change in cash and cash equivalents due to exchange rate movements			**15,858**		132,613
Cash and cash equivalents at the end of the year			**2,094,874**		1,976,483

Analysis of cash and cash equivalents

	At 31 August 2020	Cash flows	Other changes	**At 31 August 2021**
	$	$	$	**$**
Cash in hand	1,976,483	102,533	15,858	**2,094,874**
Total cash and cash equivalents	1,976,483	102,533	15,858	**2,094,874**

1 Accounting policies

a) Statutory information

Galilee Foundation is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is Unit A, 1-3 Canfield Pl, South Hampstead, London NW6 3BT.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006/Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.

Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

h) Expenditure and irrecoverable VAT

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

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of the scholarship programme and other educational activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

i) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- Raising Funds 10%
- Scholarship programme 50%
- Other projects 40%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £750. Depreciation is charged on a straight line basis at 25%

m) Debtors

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

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1 Accounting policies (continued)

q) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

r) Financial instruments

With the exception of the listed investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

s) Foreign exchange

Monetary assets and liabilities in foreign currencies are translated into dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the net incoming resources for the year.

2a Income from donations

	Unrestricted $	Restricted $	2021 Total $	Unrestricted $	Restricted $	2020 Total $
General Donations re: Scholarship Programme	-	66,795	**66,795**	-	16,604	16,604
Andrea Bocelli Event	-	-	**-**	-	360,344	360,344
COVID-19 Appeal	-	-	**-**	-	32,868	32,868
Half Marathon - Scholarship Programme	-	-	**-**	-	37,586	37,586
General Donations	125,493	-	**125,493**	18,285	-	18,285
						-
	125,493	66,795	**192,288**	18,285	447,402	465,687

2b Income from trading

	Unrestricted $	Restricted $	2021 Total $	Unrestricted $	Restricted $	2020 Total $
Sale of goods	12,103	-	**12,103**	7,429	-	7,429

2c Other income

	Unrestricted $	Restricted $	2021 Total $	Unrestricted $	Restricted $	2020 Total $
Investment compensation	223,420	-	**223,420**	-	-	-

During the year the Foundation received compensation from an external investment manager to compensate it for losses on an investment fund.

2d Income from charitable activities

	Unrestricted $	Restricted $	2021 Total $	Unrestricted $	Restricted $	2020 Total $
The Asfari Foundation	–	77,305	**77,305**		96,967	96,967
Qatar Foundation	–	–	**–**	45,000	450,000	495,000
Arab Center for Research and Policy	44,500	450,000	**494,500**	13,500	270,000	283,500
	44,500	527,305	**571,805**	58,500	816,967	875,467

3a Total resources expended (current year)

	Raising funds $	Scholarship programme $	Other projects $	Governance Costs $	Support Costs $	**2021 Total $**	2020 Total $
Staff costs (Note 6)	–	–	–	–	85,117	**85,117**	82,006
Consultancy fees	–	–	–	–	1,040	**1,040**	18,442
Audit and accountancy	–	–	–	11,350	10,315	**21,665**	18,709
Adminstration expenses	–	–	–	–	21,033	**21,033**	25,235
Grants to institutions (note 6)	–	775,254	450,000	–	–	**1,225,254**	1,120,349
Bank & foreign exchange charges	–	–	–	–	6,691	**6,691**	9,122
Purchase of goods for resale	4,655	–	–	–	–	**4,655**	3,804
Fundraising costs	3,204	–	–	–	–	**3,204**	22,935
	7,859	**775,254**	**450,000**	**11,350**	**124,196**	**1,368,659**	1,300,602
Support costs	12,420	62,098	49,678	–	(124,196)	–	–
Governance costs	1,135	5,675	4,540	(11,350)	–	–	–
Total expenditure 2021	**21,414**	**843,027**	**504,218**	–	–	**1,368,659**	1,300,602

3b Total resources expended (prior year)

	Raising funds $	Scholarship programme $	Other projects $	Governance Costs $	Support Costs $	**2020 Total $**	2019 Total $
Staff costs (Note 6)	–	–	–	–	82,006	**82,006**	58,932
Consultancy fees	–	–	–	–	18,442	**18,442**	8,987
Audit and accountancy	–	–	–	11,413	7,296	**18,709**	12,915
Adminstration expenses	–	–	–	–	25,235	**25,235**	26,215
Grants to institutions (note 6)	–	798,763	321,586	–	–	**1,120,349**	1,976,976
Bank & foreign exchange charges	–	–	–	–	9,122	**9,122**	2,908
Purchase of goods for resale	3,804	–	–	–	–	**3,804**	–
Fundraising costs	22,935	–	–	–	–	**22,935**	4,383
	26,739	**798,763**	**321,586**	**11,413**	**142,101**	**1,300,602**	2,091,316
Support costs	14,210	71,051	56,841	–	(142,101)	–	–
Governance costs	1,141	5,707	4,565	(11,413)	–	–	–
Total expenditure 2020	**42,090**	**875,521**	**382,992**	–	–	**1,300,602**	2,091,316

4 Grant making

	2021 Grants to institutions $	2020 Grants to institutions $
Cost		
Mada Al-Carmel: Arab Centre for Applied Social Research – to support research project	**250,000**	270,000
Hewar Daycare project	**200,000**	–
The Arab Culture Association: to support the Scholarship Programme	**775,254**	825,979
Challenge to Change – Galilee Foundation students work readiness programme	**–**	4,370
Adalaha Legal Centre	**–**	20,000
Total grants for the year	**1,225,254**	1,120,349

5 Net expenditure for the year

This is stated after charging:

	2021 $	2020 $
Depreciation		
▪ Depreciation	**–**	1,327
Operating lease rentals:		
▪ Property	**6,603**	6,480
Auditor's remuneration (excluding VAT):		
▪ audit	**9,457**	9,159

6 Staff costs and numbers

Staff costs were as follows:

	2021 $	2020 $
Salaries and wages	**78,480**	75,400
Staff pension costs	**4,170**	3,749
Social security costs	**2,467**	2,857
	85,117	82,005
Total emoluments paid to staff were:	**78,480**	75,400

No employee earned more than $82,531 during the year (USD equivalent of GBP 60,000).

The total employee benefits including pension contributions of the key management personnel were $38,671 (2020: $47,083).

The average weekly number of employees (head count based on number of staff employed) during the period was 3 (2020: 2).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: $nil). No charity trustee received payment for professional or other services supplied to the charity (2020: $nil).

There were no trustees' expenses relating to attendance at meetings of the trustees.

7 Related party transactions

There were the following related party transactions for the year ended 31 August 2021 US$100,906 (2020: US$101,170).

During the year donations totalling US$77,305 (2020: US$96,966) were received from The Asfari Foundation. The Asfari Foundation is a related party as Mrs Sawsan Asfari, a trustee of Galilee Foundation, has majority control over the Asfari Foundation with her immediate family members. Grants from the Asfari Foundation funded grants to the Arab Cultural Center (Scholarship Fund) and a grant to cover costs related to the expansion of the Scholarship Programme to Al-Quds, as well as to fund the Galilee Foundation's organisational development and capacity building in accordance with the conditions of the donations.

In 2021 the charity paid US$6,603 (2020: US$6,082) to the Asfari Foundation in respect of the rental of office space.

$14,487 was received from The Galilee Foundation USA Limited, an American non-profit charitable, cultural, and educational organization incorporated in the District of Columbia. One of its trustees is also a trustee of the Galilee Foundation.

Other aggregate donations from related parties were US$9,114 (2020: US$4,292).

8 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9 Investments

	2021 $	2020 $
Fair value at the start of the period	3,153,583	3,244,032
Additions	1,829	1,359,684
Disposal proceeds	(323,845)	(1,198,500)
Net change in fair value	167,799	(251,633)
Fair value at the end of the period	2,999,366	3,153,583

The investments comprise an Ooredoo Intl Finance Ltd bond, a Qatar National Bank bond, a Real Estate Investment Trust held by the Qatar National Bank, and publicly listed shares in Royal Dutch Shell plc, Gilead Sciences Inc, Glaxosmithcline plc, Johnson & Jonson Inc, Pzizer Inc, and Viatris Inc.

10 Tangible fixed assets

	Fixtures and fittings 2021
Cost	**$**
At the start of the year	**5,308**
Additions in year	**–**
Disposals in year	**–**
At the end of the year	**5,308**
Depreciation	
At the start of the year	**714**
Charge for the year	**1,327**
Eliminated on disposal	**–**
At the end of the year	**2,041**
Net book value	
At the start of the year	**4,594**
At the end of the year	**3,267**

All of the above assets are used for charitable purposes.

11 Debtors: amounts falling due within one year

	2021 $	2020 $
Accrued donation income	–	25,000
Trade debtors	**3,487**	
Prepayments	**1,872**	1,872
Accrued income	**79,872**	79,845
	85,231	106,717

12 Creditors: amounts falling due within one year

	2021 $	2020 $
Trade creditors	**651**	3,181
Grants payable	**147,700**	221,261
Accruals	**11,350**	14,668
	159,701	239,110

13a Analysis of net assets between funds (current year)

	General unrestricted $	Designated $	Restricted $	Total funds $
Investments	2,999,366	–	–	**2,999,366**
Fixed assets	3,267	–	–	**3,267**
Net current assets	(16,068)	2,027,994	8,478	**2,020,404**
Net assets at 31 August 2021	**2,986,565**	**2,027,994**	**8,478**	**5,023,037**

13b Analysis of net assets between funds (prior year)

	General unrestricted $	Restricted $	Total funds $
Investments	3,153,583	–	**3,153,583**
Net current assets	1,544,401	306,362	**1,850,763**
Net assets at 31 August 2020	**4,697,984**	**306,362**	**5,004,346**

14a Movements in funds (current year)

	At 1 September 2021 $	Income & gains $	Expenditure & losses $	Transfers $	At 31 August 2021 $
Restricted funds:					
Mada Al-Carmel - Core Funds	7,000	250,000	(250,000)	–	**7,000**
Hewar Daycare Centre	–	200000	(200,000)	–	**–**
Scholarship Program - (Arab Cultural Association, Qatar Foundation for Education, Ferial & Mohamed Abuali Scholarship)	297,884	144,100	(775,254)	333,270	**–**
Baladna - Association for Arab Youth	1,478	–	–	–	**1,478**
Total restricted funds	306,362	594,100	(1,225,254)	333,270	**8,478**
Unrestricted funds:					
Designated fund	–	–	–	2,027,994	**2,027,994**
General funds	4,697,984	793,772	(143,927)	(2,361,264)	**2,986,565**
	5,004,346	1,387,872	(1,369,181)	(2,027,994)	**5,023,037**

Purposes of grants made - restricted funds

Mada Al-Carmel: Arab Centre for Applied Social Research – to support Core funding.

The Arab Culture Association: to support the Scholarship Programme.

Hewar - The Arab Association for Alternative Education: - to support a daycare centre.

Designated funds represent the value of future commitments to Scholarship students which do not meet the accounting criteria for inclusion as a liability, but which the charity is likely to need to pay out to existing students.

14b Movements in funds (prior year)

	At 1 September 2019 $	Income & gains $	Expenditure & losses $	Transfers $	**At 30 August 2020 $**
Restricted funds:					
Mada Al-Carmel - Core Funds	7,000	270,000	(270,000)	-	**7,000**
Adalaha Legal Centre	-	-	(20,000)	20,000	**-**
Scholarship Program - (Arab Cultural Association, Qatar Foundation for Education, Ferial & Mohamed Abuali	129,494	994,369	(825,979)	-	**297,884**
Baladna - Association for Arab Youth	1,478	-	-	-	**1,478**
Total restricted funds	137,972	1,264,369	(1,115,979)	20,000	**306,362**
Unrestricted funds:					
General funds	4,796,104	389,073	(467,193)	(20,000)	**4,697,984**
	4,934,076	1,653,442	(1,583,172)	-	**5,004,346**

15 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	2021 $	2020 $
Less than one year	550	535
One to five years	**-**	-
	550	535

16 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

THE GALILEE FOUNDATION

England & Wales - Charity number 1118966

Accounts

Company number: 06037771
Charity number: 1118966

The Galilee Foundation

Report and financial statements

For the year ended 31 August 2020

The Galilee Foundation is registered in England and Wales under

Charity Commission number 1118966 and Companies House number 06037771

Address: Unit A, 1-3 Canfield Place, NW6 3BT, London, UK

Telephone: +44 20 7993 8355 Email: info@galileefoundation.org.uk

www.galileefoundation.org.uk

The Galilee Foundation

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The Galilee Foundation

Reference and administrative information

For the year ended 31 August 2020

Company number	06037771
Charity number	1118966
Registered office and operational address	The Galilee Foundation Unit A, 1-3 Canfield Pl, South Hampstead London NW6 3BT United Kingdom
Country of registration	England & Wales
Country of incorporation	United Kingdom
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Marwan Bishara Sawsan Asfari Ms Leila Garadaghi Yousef Bazian Khalil Jahshan Eyad Mahameed Abdulrahman Elshayyal
Advisory Board	Advisers do not have any formal legal responsibilities. The advisers who only offer advice and support are as follows: David Freeman — Legal adviser Dina Bseisu — Adviser
Key Management personnel	Marwan Bishara — Chairman Sawsan Asfari — Executive Director Maha Al Farra — Communications & Fundraising Manager
Bankers	Europe Arab Bank plc 35 Park Lane Mayfair London W1K 1RB

	Qatar National Bank *(closed as of October 2019)* 51 Grosvenor Street London W1K 3HH
	Metro Bank One Southhampton Row London, WC1B 5HA
Accountant	Tregannas Consultancy 175 Chatsworth Road London NW2 5QS
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London EC1Y 0TL

The trustees present their report and the audited financial statements for the year ended 31 August 2020.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Trustees and organisational structure

Trustees of the Galilee Foundation serve until they stand down. New trustees are nominated to fill specific gaps identified by the Trustees. When new Trustees are appointed, they are provided with the information they need to fulfil their roles, which includes information about the role of Trustees and charity law. Trustees receive updates, progress reports and publications on a regular basis.

The Trustees meet physically to govern and monitor the progress of the Charity at least once a year. They are in touch regularly on email and video conference calls. The policies and procedures are reviewed and updated annually. The Trustees delegate the day-to-day running of the charity to the Foundation's office in London.

Two employees, Maha Al Farra and Thomas Smith, have been running the charity and overseeing its fundraising, projects and budgets. Their positions are Communications & Fundraising Manager and Project Officer respectively. In November 2020, Thomas Smith resigned from Galilee Foundation. The employees' work is overseen by the Co-Founder and Trustee Sawsan Asfari. Tregannas Consultancy oversees and manages the Foundation's finances on a monthly basis. In 2019, Dianne Woodward came on board as a voluntary Communications & Media Outreach Consultant and has helped the Galilee Foundation tremendously through engagement with social media, content, fundraising and invaluable advice. The London based Trustees also lend support to the day-to-day running of the charity. The Trustees confirm that they have complied with the Charities Act 2006.

Grant making policy

The Foundation receives project proposals, however, its current projects have been solicited and developed together with the partner organisations. The Foundation drafts agreements that specify the responsibilities of its partners and the schedule of reporting. Partners provide regular progress reports and each project is visited at least once every two years by a representative of the Foundation. For sustainability of projects' achievements, the Foundation seeks to develop longstanding partnership while maintaining rigorous monitoring and evaluation procedures.

Partner Due Diligence

We have been strengthening our partner due diligence framework since the introduction of GF's formal policy document in 2019. We now require initial operational and financial assessments to be prepared for all new partners before we enter into any grants arrangements or memoranda of understanding. We have developed a new Monitoring & Evaluation framework for the ongoing assessment and internal audit of our partners.

Coronavirus Update

Since March 2020, The Galilee Foundation has taken necessary precautions as per Government virus control measures for its staff i.e. both employees have been working from home. While we did not foresee these measures necessarily adversely impacting our day-to-day operational activities in the UK since much of the work was already done digitally, there were repercussions. The challenge was to co-ordinate remote digital working and recreate the mutually supportive office atmosphere in order to maintain morale and productivity. This was partially achieved with frequent virtual meetings, both regular and ad hoc, between staff, trustees, partners and volunteers etc using different digital tools depending on the reason for communication and the personnel involved. Since the control measures are likely to continue into much of 2021 the strategies for improving the efficacy of remote working are still evolving and we seek to improve and streamline the non ideal but necessary experience for all involved.

The pandemic also strongly affected the activities of our partners, who had to substitute in-person workshops with remote workshops and run new scholarship and graduation events as multiple small, socially distanced celebrations, often outdoors.

Our students were impacted by the challenges of remote learning, availability of the infrastructure and technology to access this and the quality of provision by teachers operating in an unfamiliar environment. Some of them also experienced increased financial hardship due to the economic effects of national lockdowns.

The virus control measures have, however, impacted our challenge fundraising events as they have been cancelled. We have mitigated this by hosting as well as participating in virtual fundraising events such as the Move4Jerusalem and Big Give Campaign. In April 2020 we also set up a Covid19 Appeal for students and their families who have lost their income due to the shutdown in their country.

Principal Risks and uncertainties

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to reduce and mitigate the exposure to risks. A cash flow summary is kept and regularly reviewed and updated. The Trustees have identified the following as

the principal risks facing the Foundation and have controls in place for their active management:

- The risk of charitable impact not being maximised and of the wasteful use of charitable funds resulting in reputational damage. The Foundation's management mitigates this risk by conducting regular evaluation, monitoring and follow up for all projects funded by the Foundation to assess the achievement of the Foundation's charitable objectives. Furthermore, the Trustees receive regular reports from the management of the Foundation to monitor and assess the performance of the Foundation, its activities and projects it supports to ensure that grants given are used for the charitable purpose.

- The safeguarding of the Foundation's investments and the risk of generating insufficient return. To mitigate such risk, one of our trustees who has a background in the financial sector has offered to regularly monitor and review the investments portfolio and advise the Trustees accordingly.

- Safeguarding of Foundation's income and the risk of devaluation of Foundation's funds due to currency fluctuation, particularly the funds in Pound sterling. To mitigate such risk, the Trustees have placed some funds in a fixed deposit.

- The duration of the Covid19 pandemic going forward and its effect on the wider economy and fundraising environment, which will have continued impact on our fundraising strategies and necessitate exploring new avenues of fundraising.

Objectives and activities

The Galilee Foundation's objectives are to further such charitable objectives as the Trustees in their absolute discretion think fit and include the following:

(1) TO ADVANCE THE EDUCATION AT ALL LEVELS OF PALESTINIANS IN OR LIVING IN ISRAEL AND THE PALESTINIAN TERRITORIES, REGARDLESS OF GENDER OR FAITH, IN PARTICULAR BUT NOT EXCLUSIVELY BY ORGANISING AND ENCOURAGING EDUCATION, CULTURE, HERITAGE, ART, SCIENCE AND RESEARCH INITIATIVES;
(2) TO RELIEVE THE POVERTY OF PALESTINIANS IN OR LIVING IN ISRAEL AND THE PALESTINIAN TERRITORIES, REGARDLESS OF GENDER OR FAITH, IN PARTICULAR BUT NOT EXCLUSIVELY BY THE PROVISION OF ADVICE, TRAINING AND SUPPORT.

The Galilee Foundation's general areas of operation are Israel and Palestine.

To work towards these objectives, the Foundation identifies and makes grants to registered, reputable, non-political, and non-sectarian charitable organisations and research

institutions for existing or new projects that meet the Foundation's objectives. These policies have not changed during the year.

In deciding what activities the charity should undertake, the Trustees have paid due regard to guidance issued by the Charity Commission.

The Galilee Foundation's vision is to contribute to breaking the cycle of poverty and inequality faced by many Palestinian citizens of Israel as well as those in Palestine. The Foundation believes strongly that access to education is the key to making this vision a reality.

Fundraising Statement

The Galilee Foundation is able to harness the goodwill and incredible generosity of donors from across the world through the work we undertake to provide a Higher Education to Palestinian youth. We generate funds from a wide range of UK and international donors. This includes individual one-off donations, institutional funding as well as Gift Aid. These funds are raised by the trustees, staff, volunteers and individuals who fundraise in support of the Galilee Foundation. The Galilee Foundation received several generous donations from foundations such as the Asfari Foundation and Arab Centre Research and Policy Studies to support its projects. The Galilee Foundation also received a number of smaller donations from our new initiatives with our online boutique, Amazon Smile, and Facebook Donate. We also received generous donations from those who took part in our Move4Jerusalem Campaign, Covid19 Appeal, and Big Give Campaign.

We communicate regularly with our supporters through newsletters, appeals, social media and emails. We provide a comprehensive picture of our activities on our website at: www.galileefoundation.org.uk as well as our social media channels and we are available to support via phone or email.

The Galilee Foundation is registered with the Fundraising Regulator and works in a way that is compliant with the Code of Fundraising Practice.

We have not received any complaints relating to fundraising. Should this happen, GF employees will record this digitally and discuss with our trustees to review.

The staff manage and monitor the fundraising work undertaken by others. Any volunteer or freelancer that works with us is required to sign a Confidentiality Agreement which we implemented in 2019. The staff also do an informal induction of activities to all new volunteers.

Project Activities in 2019/20

The Galilee Foundation's projects bring positive and lasting changes to thousands of young people through our scholarship programmes, training, access to quality education and cultural activities. The impact of the projects supported by the Foundation has been immense.

The Foundation renewed its support to most of its existing partners and continued its work towards achieving its objective of expanding the base of its beneficiaries:

- **The Scholarship Programme in Israel:** The Foundation's main programme provides university scholarships to young underprivileged Palestinian citizens of Israel. The Programme continues to be implemented in partnership with the Arab Cultural Association (ACA), the Foundation's local partner based in Haifa. In addition to financial support, the Programme supports its students through a range of training and capacity building workshops, cultural activities, and mentoring. The Scholarship is advertised publicly in local online news and social media platforms. Students are selected through rigorous application and selection procedures based on pre-sit criteria of merit and need. In addition to financial support, the Foundation requires that all scholarship recipients undertake voluntary placements to help their local communities. In the 2019/20 academic year, the Foundation was pleased to have supported the usual 250 students, and thanks to the generous donation of two individual donors, we were able to set up the Abuali Scholarship to support an additional 6 students in the fields of science and medicine.

- **Scholarship Programme with Al Quds University:** The Foundation is proud to continue its partnership with Al Quds University in East Jerusalem to support the continuing 10 disadvantaged bright students from the 2018/19 Academic Year. We have also set up an Abuali Scholarship to support an additional five students in the field of science and medicine. The students are required to participate in 120 hours of volunteer work such as teaching younger students, helping at orphanages, participating in cultural activities and organising conferences.

- **Mada Al-Carmel - Arab Centre for Applied Social Research - PhD Students Programme and Core Funds:** The Foundation partnered again with Mada Al Carmel which aims to support students who wish to continue their higher education and to provide them with academic training. The Programme is the first of its kind available to Palestinian PhD students. The general public, researchers, academics, journalists and civil society organisations have benefited from the outcomes and the publications of their projects, seminars and conferences.

- **Baladna Association for Arab Youth – Core Funds:** The Foundation partnered again with Baladna to support their core funding which enabled them to develop five large-

scale projects. Baladna provides youth with the training, resources and practical tools necessary to confront discrimination and marginalization of the Palestinian people in Israel. Their projects aim to empower Palestinian youth to become agents of positive social change who systemically map the needs of youth groups in their community and develop community projects responsive to these needs. They also aim to foster awareness of the Palestinian identity and history among Palestinian youth groups in Israel. They also work to reduce violence amongst Palestinian youth. The five projects combined reached at least 2,000 youth.

- **Yaffa Youth Movement Association (YYMA) – Yada Al Mustaqbal Programme:** The Foundation continued its partnership with the YYMA, which aims to build a strong and democratic Palestinian-Arab community in Yaffa. They focus on developing a strong core of young leaders with a shared purpose to create change together, based on democratic values, human rights, and advancement of the community. These core students will receive significant support, academic counselling, and mentoring; which are particularly essential for Palestinian youth, who often feel alienated and inadequately prepared to study in Israeli universities.

- **Challenge to Change – Galilee Foundation Students SheCodes Programme:** The Foundation started a partnership with Challenge To Change, who were born out of a strong and genuine desire to enhance the lives of Arab women, especially those affected by conflict in the Middle East. We supported their SheCodes project which teaches women in Gaza coding, web developing and develop freelance portfolios in the digital market in order to promote income generation for young Palestinian women.

- **Adalah – The Legal Center for Arab Minority Rights in Israel:** The Foundation started a partnership with Adalah in July 2020 to support them by employing four law students and legal apprentices on trainee contracts during one calendar year. Under the supervision of Adalah's senior legal team, the legal trainees will provide legal research for cases and legal and advocacy reports, draft legal interventions and Participate in Knesset committee meetings.

Future Plans

In 2021, the Foundation plans to establish an alumni programme for our students so we can keep in touch with them once they graduate and monitor our impact. We will continue to develop the Scholarship Programme to enhance its training activities and efficiency. We will be reviewing our project partners with the possibility of a new partnership with Hewar.

In terms of fundraising, we will have a one-year fundraising strategy in place with the aim of diversifying our funding reaching out to trusts and foundations internationally as well as corporates. We are expanding operationally as we have hired a part-time Communications

Officer and will have a new part-time Grants Manager beginning in January 2021 with the aim of having solid systems and processes in place.

The Foundation continues to conduct strategic reviews to ensure that its donations help those in need most effectively.

2021 already indicates that the pandemic will be with us, vaccine rollout notwithstanding, for many more months, and that a return to the old normality is unlikely for the foreseeable future. The Galilee Foundation will need to be flexible to adapt to the uncertain changes ahead, and the impacts these will have on operations in general and fundraising in particular.

In the first instance we must knit together a new team working remotely, by developing our team building strategies for such an unfamiliar environment and look to seize opportunities as well as meet challenges. In the second we must encourage all stakeholders to recognize opportunities in adversity and contribute innovative ideas for fundraising or otherwise to exploit them, whether in lockdown or not. We also need to support our partners as they grapple with the local challenges that lie ahead, some of which are yet unpredictable. Finally we must recognize that it is our beneficiaries, the young people whose lives we aim to change for the better, who are most impacted by our success or failure and do everything in our power to ensure their success.

Financial Review

The Foundation continues to receive interest payments from the generous endowment fund donated by the State of Qatar for the provision of university scholarships.

Total expenditure of the Foundation on projects, generating funds and operational costs from 31 August 2019 until 31 August 2020 was USD1,300,603 while the majority of the Foundation's expenditure went towards the projects, totalling USD1,258,513. The Scholarship Programme remains the Foundation's core and largest project, with the majority of project expenditure allocated to it.

Investment Policy

The Galilee Foundation has an Investment Committee comprised of the Chairman, Executive Director and a Trustee with over three decades of financial experience. The Investment Committee advises the board on appropriate investments, monitor performance, recommend the appointment of advisers, liaise with advisers, and report to the board. The Investment Committee mandate also manages the investment portfolio on a low risk, low volatility basis, with a view to generating income over the long term. Before each investment or de-investment decision is made, the investment committee consults with at least three outside financial advisors to ensure maximum diligence.

The objective of the Foundation's current investments portfolio is to ensure capital preservation and generate investment income by seeking to produce financial returns at acceptable low level of risk. The Endowment Fund is in a separate account and is invested in state bonds and some blue chip shares in the amount that does not exceed 15 percent of the total. The results over the past decade have been quite satisfactory. The interest on the investments of this fund is used primarily for the Foundation' s Scholarship Programme.

Reserves Policy and Going Concern

The Galilee Foundation is currently dependent on a range of sources of income to sustain its activities. Previously, the Galilee Foundation would hold a biennial fundraising gala dinner. In October 2019, the Galilee Foundation replaced the gala dinner with a joint fundraiser with the Andrea Bocelli Foundation in order to secure restricted funds for our programmes. In addition to these events, Galilee generates income from its investments, receives annual donations from a few foundations and several individual donors. During the year an online shop was created, and revenues were generated from this.

The final grant (for the academic year 2019/2020) under our 10-year agreement with the Qatar Foundation has been made. The Galilee Foundation has reserves of USD495,000 which we have used for the 2020/2021 academic year. We intend to increase our fundraising income from other foundations and continue to offer financial support in future years. Should we not raise USD450,000 we will continue to offer financial support but to fewer students.

The Foundation plans its fundraising in advance having a 24 month view of cash flow.

To avoid closure if funding difficulties were to happen to the Foundation, the Board of Trustees has agreed to keep a certain level of financial reserves to ensure that its main operations can continue for a period of 12 months. It has been calculated that reserves of USD127,772 would be needed to continue operating at a minimal level for at least 12 months.

The Foundation's consolidated balance sheet remains strong with net current assets of USD1,351,169. The trustees have reviewed the circumstances of the Galilee Foundation and consider that adequate resources continue to be available to fund its activities for the foreseeable future. The trustees are of the view that the Galilee Foundation is a going concern.

Audit information

The Trustees confirm that there is no relevant information of which the charitable company's auditor is unaware. The Trustees have taken all reasonable steps to make themselves aware of any relevant audit information.

Remuneration policy for key management personnel

The Trustees consider the board of Trustees and the senior management team the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in Note 2 to the accounts. There are currently two part-time employees and their pay is determined by the Executive Director and Chairman. In January 2021, a third part-time employee will be employed.

Statement of responsibilities of the trustees

The trustees (who are also directors of The Galilee Foundation for the purposes of company law) are responsible for approving the trustees' annual 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 then 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 August 2020 was 7. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 3 March 2021 and signed on their behalf by

Sawsan Asfari
Executive Director & Trustee

Independent auditor's report

to the members of

The Galilee Foundation

Opinion

We have audited the financial statements of Galilee Foundation (the 'charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities, balance sheet, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 August 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the trustees' 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.

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
- 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 in relation to which 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' exemptions

in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 the 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 judgment 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 purpose of expressing an opinion on the effectiveness of the entity'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 entity'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 entity 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.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)
19 March 2021
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Galilee Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 August 2020

	Note	Unrestricted $	Restricted $	2020 Total $	Unrestricted $	Restricted $	2019 Total $
Income from:							
Donations and legacies	2a	18,285	447,402	**465,687**	44,320	361,705	406,025
Charitable activities							
Scholarship programme		45,000	546,967	**591,967**	43,979	440,282	484,261
Other projects		13,500	270,000	**283,500**	85,809	953,450	1,039,259
Other trading activities	2b	7,429		**7,429**	–	–	–
Investments		172,247	–	**172,247**	123,000	–	123,000
Total income		256,461	1,264,369	**1,520,830**	297,108	1,755,437	2,052,545
Expenditure on:							
Raising funds		38,286	–	**38,286**	15,379	–	15,379
Other trading activities		3,804		**3,804**			
Charitable activities							
Scholarship programme		76,758	798,763	**875,521**	54,977	761,626	816,603
Other projects		65,776	317,216	**382,992**	71,474	1,187,860	1,259,334
Total expenditure	3a	184,624	1,115,979	**1,300,603**	141,830	1,949,486	2,091,316
Net income before net (losses)/gains on investments		71,837	148,390	**220,227**	155,278	(194,049)	(38,771)
Net gains / (losses) on investments	9	(282,569)	–	**(282,569)**	125,663	–	125,663
Net (expenditure)/income before other recognised gains and losses		(210,732)	148,390	(62,342)	280,941	(194,049)	86,892
(Losses)/gains on foreign exchange		132,613	–	**132,613**	(107,790)	–	(107,790)
Transfers		(20,000)	20,000	**–**	(307,021)	307,021	–
Net movement in funds	13a	(98,120)	168,390	**70,270**	(133,870)	112,972	(20,898)
Reconciliation of funds:							
Total funds brought forward		4,796,104	137,972	**4,934,076**	4,929,974	25,000	4,954,974
Total funds carried forward		4,697,984	306,362	**5,004,346**	4,796,104	137,972	4,934,076

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 13a to the financial statements.

The Galilee Foundation

Balance sheet

Company no. 06037771

As at 31 August 2020

	Note	$	2020 $	$	2019 $
Fixed assets:					
Investments	9		**3,153,583**		3,244,032
Tangible Fixed Assets	10		**4,594**		–
			3,158,177		3,244,032
Current assets:					
Debtors	11	**106,717**		–	
Stock		**2,079**			
Cash at bank and in hand		**1,976,483**		3,109,875	
		2,085,279		3,109,875	
Liabilities:					
Creditors: amounts falling due within one year	12	**239,110**		1,419,831	
Net current assets			**1,846,169**		1,690,044
Total net assets / (liabilities)			**5,004,346**		4,934,076
The funds of the charity:	13a				
Restricted funds			**306,362**		137,972
Unrestricted funds			**4,697,984**		4,796,104
Total charity funds			**5,004,346**		4,934,076

Approved by the trustees on 3 March 2021 and signed on their behalf by

Mrs S Asfari
Trustee

The Galilee Foundation

Statement of cash flows

For the year ended 31 August 2020

	Note	2020		2019	
		$	$	$	$
Cash flows from operating activities					
Net (expenditure)/income for the reporting period (as per the statement of financial activities)			70,270		(20,898)
(Gains)/losses from foreign exchange			(132,613)		107,790
(Gains)/losses on investments			282,569		(125,663)
Dividends, interest and rent from investments			(172,247)		(123,000)
(Increase)/decrease in debtors			(106,717)		495,000
Increase/(decrease) in creditors			(1,180,721)		1,205,544
Net cash provided by / (used in) operating activities			(1,239,459)		1,538,774
Cash flows from investing activities:					
Dividends, interest and rents from investments		172,247		123,000	
Investment purchase		–		–	
Net cash provided by / (used in) investing activities			172,247		123,000
Change in cash and cash equivalents in the year			(1,067,212)		1,661,774
Cash and cash equivalents at the beginning of the year			3,109,876		1,555,892
Change in cash and cash equivalents due to exchange rate movements			132,613		(107,790)
Cash and cash equivalents at the end of the year			2,175,277		3,109,876

Analysis of cash and cash equivalents

	At 31 August 2019 $	Cash flows $	Other changes $	**At 31 August 2020 $**
Cash in hand	3,109,876	(1,067,212)	132,613	**2,175,277**
Total cash and cash equivalents	3,109,876	(1,067,212)	132,613	**2,175,277**

1 Accounting policies

a) Statutory information

Galilee Foundation is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is Unit A, 1-3 Canfield Pl, South Hampstead, London NW6 3BT.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006/Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.

Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

h) Expenditure and irrecoverable VAT

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

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of the scholarship programme and other educational activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

i) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- Raising Funds 10%
- Scholarship programme 50%
- Other projects 40%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £750. Depreciation is charged on a straight line basis at 25%

m) Debtors

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

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

q) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

1 Accounting policies (continued)

r) Financial instruments

With the exception of the listed investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

s) Foreign exchange

Monetary assets and liabilities in foreign currencies are translated into dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the net incoming resources for the year.

2a Income from donations

	Unrestricted $	Restricted $	2020 Total $	Unrestricted $	Restricted $	2019 Total $
General Donations re: Scholarship Programme	-	16,604	**16,604**	-	89,304	89,304
Andrea Bocelli Event	-	360,344	**360,344**	-	238,454	238,454
COVID-19 Appeal	-	32,868	**32,868**	-	-	-
Half Marathon - Scholarship Programme	-	37,586	**37,586**	-	27,717	27,717
Ayjal Foundation	-	-	**-**	-	6,230	6,230
General Donations	18,285	-	**18,285**	44,320	-	44,320
				-	-	-
	18,285	447,402	**465,687**	44,320	361,705	406,025

2b Income from trading

	Unrestricted $	Restricted $	2020 Total $	Unrestricted $	Restricted $	2019 Total $
Sale of goods	7,429	-	**7,429**			

3a Total resources expended (current year)

	Raising funds $	Scholarship programme $	Other projects $	Governance Costs $	Support Costs $	**2020 Total $**	2019 Total $
Staff costs (Note 6)	–	–	–	–	82,006	**82,006**	58,932
Consultancy fees	–	–	–	–	18,442	**18,442**	8,987
Audit and accountancy	–	–	–	11,413	7,296	**18,709**	12,915
Adminstration expenses	–	–	–	–	25,235	**25,235**	26,215
Grants to institutions (note 6)	–	798,763	321,586	–	–	**1,120,349**	1,976,976
Bank & foreign exchange charges	–	–	–	–	9,122	**9,122**	2,908
Purchase of goods for resale	3,804					**3,804**	
Fundraising costs	22,935	–	–	–	–	**22,935**	4,383
	26,739	**798,763**	**321,586**	**11,413**	**142,101**	**1,300,602**	2,091,316
Support costs	14,210	71,051	56,841	–	(142,101)	–	–
Governance costs	1,141	5,707	4,565	(11,413)	–	–	–
Total expenditure 2020	**42,090**	**875,521**	**382,992**	–	–	**1,300,602**	2,091,316

3a Total resources expended (prior year)

	Raising funds $	Scholarship programme $	Other projects $	Governance Costs $	Support Costs $	2019 Total $
Staff costs (Note 6)	–	–	–	–	58,932	**58,932**
Consultancy fees	–	–	–	–	8,987	**8,987**
Audit and accountancy	–	–	–	9,195	3,720	**12,915**
Adminstration expenses	–	–	–	–	26,215	**26,215**
Grants to institutions (note 6)	–	761,626	1,215,350	–	–	**1,976,976**
Bank & foreign exchange charges	–	–	–	–	2,908	**2,908**
Fundraising costs	4,383	–	–	–	–	**4,383**
	4,383	**761,626**	**1,215,350**	**9,195**	**100,762**	**2,091,316**
Support costs	10,076	50,380	40,306	–	(100,762)	–
Governance costs	920	4,597	3,678	(9,195)	–	–
Total expenditure 2019	**15,379**	**816,603**	**1,259,334**	–	–	**2,091,316**

4 Grant making

	2020 Grants to institutions $	2019 Grants to institutions $
Cost		
Mada Al-Carmel: Arab Centre for Applied Social Research – to support research project	**270,000**	293,000
Mada Al-Carmel: Arab Centre for Applied Social Research – to support PHD students	**–**	225,000
Ayjal Foundation	**–**	6,225
The Arab Culture Association: to support the Scholarship Programme	**825,979**	761,626
Challenge to Change - Galilee Foundation students work readiness programme	**4,370**	27,490
Yafa Al-Mustaqbal: to support Yaffa Youth Movement	**–**	297,211
Al-Quds University Scholarship Programme	**–**	107,025
Adalaha Legal Centre	**20,000**	–
Baladna Assoc.: for the Youth Leadership Programme	**–**	259,399
Total grants for the year	**1,120,349**	1,976,976

5 Net expenditure for the year

This is stated after charging:

	2020 $	2019 $
Operating lease rentals:		
▪ Property	**6,480**	15,011
Auditor's remuneration (excluding VAT):		
▪ audit	**9,159**	7,663

6 Staff costs and numbers

Staff costs were as follows:

	2020 $	2019 $
Salaries and wages	**75,400**	55,785
Staff pension costs	**3,749**	2,414
Social security costs	**2,857**	733
	82,006	58,932
Total emoluments paid to staff were:	**75,400**	55,785

No employee earned more than $80,229 during the year (USD equivalent of GBP 60,000).

The total employee benefits including pension contributions of the key management personnel were $47,083 (2019: $41,944).

The average weekly number of employees (head count based on number of staff employed) during the period was 2 (2019: 2).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2019: $nil). No charity trustee received payment for professional or other services supplied to the charity (2019: $nil).

There were no trustees' expenses relating to attendance at meetings of the trustees.

7 Related party transactions

There were the following related party transactions for the year ended 31 August 2020 US$101,170 (2019: US$126,654).

During the year donations totalling US$96,966 (2019: US$126,654) were received from The Asfari Foundation. The Asfari Foundation is a related party as Mrs Sawsan Asfari, a trustee of Galilee Foundation, has majority control over the Asfari Foundation with her immediate family members. Grants from the Asfari Foundation funded grants to the Arab Cultural Center (Scholarship Fund) and a grant to cover costs related to the expansion of the Scholarship Programme to Al-Quds, as well as to fund the Galilee Foundation's organisational development and capacity building in accordance with the conditions of the donations.

In 2020 the charity paid US$6,082 (2019: $548) to the Asfari Foundation in respect of the rental of office space.

Other aggregate donations from related parties were US$ 4,292 (2019: NIL).

8 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9 Investments

	2020 $	2019 $
Fair value at the start of the period	3,244,032	3,118,369
Additions	1,359,684	-
Disposal proceeds	(1,198,500)	-
Net change in fair value	(251,633)	125,663
Fair value at the end of the period	3,153,583	3,244,032

The investments comprise an Ooredoo Intl Finance Ltd bond, a Qatar National Bank bond, a Real Estate Investment Trust held by the Qatar National Bank, and publicy listed shares in Royal Dutch Shell plc, Gilead Sciences Inc, Glaxosmithcline plc, Johnson & Jonson Inc and Pzizer Inc.

10 Tangible Fixed Assets

	2020 $	2019 $
Cost		
Balance as at 1 September 2019	-	-
Assets written off or disposed of	-	-
Additions	5,308	-
Depreciation	(714)	-
At 31 August 2020	4,594	-

Assets are depreciated on a straight line basis at 25% per annum

11 Debtors: amounts falling due within one year

	2020 $	2019 $
Accrued donation income	25,000	–
Prepayments	1,872	
Accrued income	79,845	
	106,717	–

12 Creditors: amounts falling due within one year

	2020 $	2019 $
Trade creditors	3,181	481
Grants payable	221,261	687,752
Event donations & deferred income	–	720,097
Accruals	14,668	11,501
	239,110	1,419,832

13a Analysis of net assets between funds (current year)

	General unrestricted $	Restricted $	Total funds $
Investments	3,153,583	–	3,153,583
Net current assets	1,544,401	306,362	1,850,763
Net assets at 31 August 2020	4,697,984	306,362	5,004,346

13b Analysis of net assets between funds (prior year)

	General unrestricted $	Restricted $	Total funds $
Investments	3,244,032	–	3,244,032
Net current assets	1,552,072	137,972	1,690,044
Net assets at 31 August 2019	4,796,104	137,972	4,934,076

14a Movements in funds (current year)

	At 1 September 2019 $	Income & gains $	Expenditure & losses $	Transfers $	At 31 August 2020 $
Restricted funds:					
Mada Al-Carmel - Core Funds	7,000	270,000	(270,000)	-	**7,000**
		-		-	-
Adalaha Legal Centre	-	-	(20,000)	20,000	-
Scholarship Program - (Arab Cultural Association, Qatar Foundation for Education, Ferial & Mohamed Abuali Scholarship)	129,494	994,369	(825,979)		**297,884**
	-	-	-	-	-
					-
Baladna - Association for Arab Youth	1,478	-	-	-	**1,478**
Total restricted funds	137,972	1,264,369	(1,115,979)	20,000	**306,362**
Unrestricted funds:					
General funds	4,796,104	389,073	(467,193)	(20,000)	**4,697,984**
	4,934,076	1,653,442	(1,583,172)	-	**5,004,346**

Purposes of grants made - restricted funds

Adalaha Legal Centre: to support Law Students Conference

Mada Al-Carmel: Arab Centre for Applied Social Research – to support Core funding.

The Arab Culture Association: to support the Scholarship Programme.

Baladna Assoc.: for the Youth Leadership Programme

Purposes of grants made - unrestricted funds

Challenge to Change - Work readiness & Employability

14b Movements in funds (prior year)

	At 1 September 2018 $	Income & gains $	Expenditure & losses $	Transfers $	At 31 August 2019 $
Restricted funds:					
Mada Al-Carmel - Core Funds	-	300,000	(293,000)	-	**7,000**
Mada Al-Carmel - PHD Students	25,000	-	(225,000)	200,000	**-**
Yafa Al-Mustaqbal	-	297,211	(297,211)	-	**-**
Scholarship Program - (Arab Cultural Association & Qatar Foundation for Education)	-	891,119	(761,625)	-	**129,494**
AL-QUDS SCHOLARSHIP PROGRAM	-	-	(107,025)	107,025	**-**
Ayjal Foundation	-	6,230	(6,226)	(4)	**-**
Baladna - Association for Arab Youth	-	260,877	(259,399)	-	**1,478**
Total restricted funds	25,000	1,755,437	(1,949,486)	307,021	**137,972**
Unrestricted funds:					
General funds	4,929,974	422,771	(249,620)	(307,021)	**4,796,104**
	4,954,974	2,178,208	(2,199,106)	-	**4,934,076**

15 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property **2020 $**	2019 $
Less than one year	535	486
One to five years	-	-
	535	486

16 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.