



**A . M . Q A T T A N  
F O U N D A T I O N**

(A company limited by guarantee)

Company Registration Number: 02171893

Charity Registration Number: 1029450

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2008**

# The A M Qattan Foundation

## Company Information

<b>Trustees</b>	Abdul Mohsen Al-Qattan Laila Abdul-Mohsen Al-Qattan Najwa Abdul-Mohsen Al-Qattan Leenah Abdul-Mohsen Al-Qattan Omar Abdul-Mohsen Al-Qattan
<b>Administrative Director</b>	Julia Helou - London
<b>Executive Director</b>	Ziad Khalaf - Ramallah
<b>Secretary</b>	Omar Abdul Mohsen Al-Qattan
<b>Registered Office</b>	226 Cromwell Road London SW7 1QJ
<b>Company Registration Number</b>	02171893
<b>Charity Registration Number</b>	1029450
<b>Auditors</b>	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
<b>Solicitors</b>	Thomas Eggar International Press Centre Building 75/76 Shoe Lane London EC3A 3JB
<b>Bankers</b>	Arab Bank Plc 73 Brook Street Mayfair London W1K 4HX

# The A M Qattan Foundation

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# The A M Qattan Foundation

## Trustees' Report

### For the year ended 31 March 2008

The Trustees submit their report and the financial statements of The A M Qattan Foundation for the year ended 31 March 2008.

The trustees who served during the year are named on page 1. This is a privately funded charity and so far the board is mainly constituted from its founding members. Recommendation and selection of members is the responsibility of the Board. No external bodies or individuals are allowed to appoint trustees.

#### **Constitution and Governance**

The company is incorporated under the Companies Act 1985 and is limited by guarantee. It is governed according to the provisions contained in its Memorandum & Articles of Association. The company is a registered charity.

The charity is governed by policies and procedures set by professionals/auditors to cover all aspects of its operation. Semi-annual reports on all projects covering the whole operation are submitted to the Board for discussion and guidance. The Board meets with the Executive staff of the charity and its projects at least twice a year.

#### **Risk Management**

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

#### **Objects, Objectives and Principal Activity**

The objects of the charity, as laid down by its governing documents, are as follows:

- Continuing expansion of our user-base among our target groups, both in and outside of Palestine;
- Continuing expansion of our networks of international individuals and institutions with which we develop common projects in education or culture;
- Growth of our ability to influence educational and cultural policy in Palestine.

The objectives of the charity continue to be the advancement of the education of Arabs in general and of Palestinians in particular, and the advancement of the education of the public in Arab and Palestinian studies.

The principal activity of the Foundation is to provide assistance either through direct financial grants or research and management support to achieve the objectives of the charity.

#### **The Charity's Aims and Beneficiaries**

The Charity has chosen to focus on two principal areas, culture and education, which it considers as central to any long-term and consistent process of human development. Hence, it established the *Qattan Centre for Educational Research and Development* in order to actively participate in raising the standards of education and teaching in Palestine. The Centre works directly with schoolteachers, endeavouring to develop their skills and to create better learning conditions for Palestinian schoolchildren of all ages. The *Qattan Centre for the Child* in Gaza City was established to compensate for the lack of incentives and opportunities, both socially and in the traditional educational system, for children to nurture their curiosity, expand their knowledge and facilitate their access to outside cultures. It also aims to cultivate children intellectually, emotionally and socially in order to enable them to become active and effective social beings within the context of an increasingly globalised world. The Foundation is keenly aware of the importance for any society of all forms of originality and creativity. Thus, in 1999, it launched a *Culture and Science Programme* (renamed the *Culture and Arts Programme* in early 2006) to provide financial and moral support to talented people in a number of fields of creative endeavour, particularly to the young. It also

# The A M Qattan Foundation

## Trustees' Report (Continued)

### For the year ended 31 March 2008

aims to promote Palestinian and Arab culture internationally and to open avenues into the region for international culture and know-how.

In 2004, in recognition of the growing vitality, artistic contribution and economic needs of Palestinian film and television production, the Foundation launched the *Palestinian Audio-visual Project* co-funded with the European Union. It includes a national training programme, a professional database of professionals and their films, a dynamic website, DVD publishing and distribution grants and an extensive School Film Education Programme which has created forty-six ciné-clubs in Palestine's schools. This project, which ran for three and a half years, has now drawn to a close, although two of its modules have continued: the School Film Education Programme and, during 2008, a new distribution and capacity building programme entitled Classics of European Cinema in Translation, also co-funded with the European Union.

#### **Grant Making Policy**

The majority of the grants given are within the Culture and Art Programme. Otherwise grants are assessed and decided upon by the board and selected according to their relevance to our overall objectives.

#### **Achievements and Identification of Needs**

The Charity's projects reflect identified needs in Palestinian society and encompass its objectives and achievements.

#### **1) The Qattan Centre for the Child - Gaza**

Director- Ms. Reem Abu Jaber

The Centre provides an open space where children can express themselves freely, give free rein to their imagination, be creative and overcome the difficult circumstances that they and the Gaza Strip are living through. A large numbers of children have visited the library or attended its cultural activities and art exhibitions.

#### ***The Library***

The Library has been supplied with and enriched by new resources. These now number 102,745 items in various formats, from books to videos, CDs, special needs items and toys. The number of items lent for use outside the Library was 126,161, while 137,224 items were read on the premises. The number of participants – male and female - for this year was 5,063, which makes the sum total of all valid memberships 9,158.

#### ***Library Activities***

To promote Library usage and to encourage reading, the Library staff organised several competitions, activities and cultural programmes which contributed to keeping a continuous link between children and the sources of knowledge, and bolstered their pride in belonging to the Centre. This was in addition to long-term programmes in the subjects of natural science, ecology and arts. It is worth mentioning that two new long-term programmes have been set up: Electronic Readings, in co-operation with the Qattan Centre for Research and Educational Development, and the Science Club. Also, a number of school activities, as well as Library and research sessions were set up, so that the total number of activities and programmes reached 54, from which 37,619 children and family members benefited

#### ***Cultural and artistic activities***

During the year, a variety of activities were held, numbering 41, from which 41,026 children and family members benefited. Agreements were made with various groups to present 26 shows, the most outstanding being the plays. This was in addition to musical and recreational shows, Dabka dance, and fun shows. Large audiences attended, totalling 6,672 children and family members. 12 different exhibitions were held, some of which were of the children's work while others were visiting exhibitions.

#### ***Courses***

The Centre organised a number of courses during the winter and summer holidays on visual art, drama and music; these totalled 48 courses, in which 636 children participated, in addition to courses and meetings designed for mothers.

# The A M Qattan Foundation

## Trustees' Report (Continued)

### For the year ended 31 March 2008

#### ***Outreach Services Programme***

The capability of this programme was strengthened during its second year by reaching out, with its variety of services, to a large number of children in distant areas without access to library services. Mobile libraries offering books and reading time were made accessible to 26 schools, and 16,550 library items were lent under the institutional lending programme, inaugurated by the Centre in November 2007. In addition, complementary recreational and cultural activities were held, in co-operation with 21 institutions and schools over various areas in Gaza, from which 1,534 children benefited.

#### ***Information Technology***

The IT unit ran 22 courses and activities for children during the year, benefiting 1,021 boys and girls. The Unit supervised the follow-up of website designs. Also, the Unit organised and followed up the creation of the Qattan Club for Programmers, which aims at developing children's skills and training them in programming, while continuing its efforts to supply material needed by the training programmes available to children in the Centre.

#### **2) The Qattan Centre for Educational Research and Development in Ramallah and Gaza City**

Acting Director- Mr. Wasim Kurdi

This year the Centre has focused its attention on the following goals:

- Increasing the number of teachers who interact with the Centre on a regular basis
- Working with teachers to develop qualitative and incremental projects based on their own practical research
- Providing teachers with resources and suitable programmes as a priority in their professional development, a step that will be reflected in essential changes to the teaching body to which they belong.

#### ***Educational Research***

The work featured research methodology, which covered the following areas: the comprehensive curriculum, the culture of mathematics, reflective research through practice, emotional intelligence, history, language and literature, drama as an educational tool, creative writing, creating a thinking culture through classroom questioning and classroom management, and strategies of teaching and learning

#### ***Publications: Ru'a Tarbawiyya (Educational Visions) and other books***

The quarterly educational magazine is published in hard copy and disseminated electronically. The number of regular subscribers to the magazine is now 2,037 in the West Bank and 1,300 in the Gaza Strip. This year's special features included: "Education: practice and freedom", "Scientific culture" and "Education and the arts". The Centre published a series of practical studies in a number of areas: (1) Teaching in the context of everyday life: challenges that encourage learning (2) The culture of mathematics: mathematics with a meaning (3) Conversation and the liberation of meaning: A study of "The elephant, oh king of these times" a play by Sonallah Wannous. The Centre also republished the following (1) The Basics of Teaching (2) Different Thinking (3) Men in the Sun: "Between the presence and absence of the text". There are also a number of works that are still in progress in the following fields: optimism and pessimism, sciences and scientific culture, a package to assess the difficulties and problems of learning the Arabic language, and problem solving.

#### ***Teachers' Forums***

The forums have taken on different characteristics in the West Bank and Gaza. Some hold regular meetings to discuss specific issues, as in Gaza. Others have teachers' discussion groups, monthly teachers' forums and monthly forums for managers; these are managed by the Centre's two branches.

## The A M Qattan Foundation Trustees' Report (Continued) For the year ended 31 March 2008

There are also forums based on interaction between teachers in areas covered by the forums, as in the West Bank, where teachers plan their activities and their schedule according to their own priorities, with the technical and material support of the Centre and the local community.

### *Library, databases and archives*

The Centre has two specialised libraries in humanities and education in each of Ramallah and Gaza City. These are regularly updated with new books, magazines and databases, in addition to the library putting on various cultural activities and organising visits by teachers and students. The library in Ramallah was expanded and moved to a building adjacent to the Foundation's headquarters. The two libraries consist of a section of Arabic books, a section of English books, a section of reference books and periodicals, a computer and audiovisual section, and a section of standards and surveys. The Centre, with the help of the Multimedia Unit, prepared various databases to help researchers, students and teachers: a database of teachers involved in the Centre's programme since its founding; a database documenting applied classes resulting from research projects; a database of students' and teachers' views of their work and their co-researchers' work; a film database of courses, workshops, conferences and study days organised by the Centre throughout its history.

### *Launch of new projects*

This year the Centre launched the following series of new projects:

*Scientific culture:* a pilot project with teachers and students, based on scientific culture and the methodology of scientific thought

*Summer school, "Drama in an educational context":* a new three-year experiment involving teachers, organised on a methodical, incremental and practical basis. Participants were teachers from Palestine, including the 1948 areas, Jordan, Syria and Lebanon. A team of specialists in the subject led it.

*The Qaddumi-Qattan Scholarship for Educational Research:* a full academic grant for teachers wanting to complete a Masters degree abroad in specific subjects, supported jointly by the Foundation and the Hani Qaddumi Organisation.

*The School in Cinema,* a project entailing the collection of films, with schools as a central theme, from various cultures and countries.

*"Mujawara":* a programme of reciprocal exchanges between teachers in Palestine and schools abroad and vice versa, which is still in its early stages.

### **3) The Culture and Arts Programme**

Director – Mr. Mahmoud Abu Hashhash

The past year's work can be seen as a synthesis of the Programme's experiences since its inception in 2000, and also as a consequence of the interaction of various factors and trends in an ever-changing political and economic context. A spirit of criticism was always present in evaluating and developing our programmes, as well as a belief in a creative flexibility essential for developing greater efficiency, in conditions that are constantly creating hurdles and challenges: these two qualities formed the main pillars for building the programme and its continuity.

### *Performing Arts Development Project in association with the Ford Foundation*

In this project the Programme provided new grants in the performing arts to the value of \$165,000 in the five following areas: production, promotion of unique cultural works, documentation and publishing, research and translation, literary publications and specialised training.

# The A M Qattan Foundation

## Trustees' Report (Continued)

### For the year ended 31 March 2008

#### *Study grants*

The Programme awarded grants to 19 students studying in different fields of the performing arts, especially music and drama, in various specialised institutions both at home and abroad.

#### *Support for performing arts*

The Programme also supported or co-operated with more than a hundred activities this year including performances and festivals of modern dance, music and song in various parts of Palestine and abroad.

#### *Other grants*

The Programme awarded a grant for the third year running to the Edward Said National Conservatory of Music to support the Palestine Youth Orchestra, workshops and training programmes for the Kamanjati group, Ramallah, and the Orpheus group, Nazareth, as well as continuing to fund the first prize in the piano competition organised by the Magnificat Institute in Jerusalem.

#### *Performing Arts Summer School*

The Programme organised this school in association with the Royal Flemish Theatre (KVS) with the co-operation of *Les Ballets C de la B* and *Plek vzw* in the town of Birzeit. 16 participants took part from various parts of Palestine, sharing an interest in the performing arts, be they theatre, dance, circus, songs or other activities. The summer school focussed on strengthening both the individual voice, and on developing self-expression of ambitious directors.

#### *Visual Arts*

#### *Organisation or support of exhibitions and other events*

The Programme supported or co-operated in organising 22 exhibitions in Palestine and abroad featuring a number of Palestinian and foreign artists in addition to supporting various workshops.

#### *Young Artist Award 2008*

The programme undertook the organisation of the fifth biennial Young Artist Award in the visual arts. Twelve artists from various parts of Palestine and the occupied Syrian Golan Heights qualified for the second stage of the competition.

#### *Artistic and Literary Residencies*

During the period of this report the Programme funded the participation of five artists as guests in various international residencies which included: Cité des Arts in Paris, UNIDEE at the Pistoletto Foundation (Italy), Braziers International Residency for the Arts (UK) and the International Cultural Village in India. As part of the co-operation agreement with *Makan* Organisation in Jordan, the Foundation took part in a project entitled "A house is a place - placements and exchanges between Arab artists". The Programme also worked with the Royal Court Theatre in London and the British Council in Jerusalem to enable the annual participation of a Palestinian playwright in the international playwrights' programme at the Royal Court Theatre.

#### *Literature*

The Programme awarded first prize in the 2007 Young Writers' Award in the field of fiction due to be published in Beirut in 2008, while some other writers received honorary prizes in the field of playwriting. The Programme also supported a number of other literary activities.

#### *Publications*

The programme published "Transformations", a bilingual catalogue of the works from the Young Artist Award 2006. The programme also supported the publication by Talmart Gallery Publishers in Paris of a catalogue of an exhibition by Taysir Batniji entitled "Fathers". The programme supported the publishing of the third edition of the magazine, *Mada Akbar*, a biannual cultural and intellectual magazine issued by Mada al-Carmel in Haifa. Also, the House of Palestinian Poetry issued, with support from the Programme.



# The A M Qattan Foundation Trustees' Report (Continued) For the year ended 31 March 2008

## *The Qattan Distinction Award for a notable cultural achievement*

The Programme awarded its honorary prize in this its third year to Riwaq, Centre for Architectural Conservation, for its publication "Register of Historical Buildings in Palestine", the first record of its kind of such a key component of Palestine's cultural and natural heritage, in appreciation of this important achievement for its exceptional and comprehensive effort.

## *Guest Residence*

During the period of this report, the Programme hosted the following nine guests: the author Au Su Yun, and the journalist Sio Awi Youn (South Korea); artists Paul Nobel, Vanessa Hodgkinson, Nicola Gray and Anna Lucas (Britain), and the choreographers Carlos Gonzalez & Felipe Francesco (Spain) and the actor Layman Naches (Haifa).

## **4) The Palestinian Audio Visual Project**

Director- Mr. Omar Al-Qattan (unremunerated)

This project, which ran for three and a half years with a total budget of €616,000, and was jointly funded by the Foundation and the European Union (Joint Programme for Peace) drew to a close. The project focused on providing training opportunities and developing skills by means of technical training, developing the culture of the cinema in the school curriculum, and distributing audio-visual materials dealing with Palestine.

## *Achievements*

- First ever Palestinian cinema and television industry survey conducted
- 29 Students trained in the foundations of filmmaking
- Four short films produced by crews of students and volunteers in quasi-professional conditions
- 46 ciné-clubs, including high-end projection equipment, established in schools in various parts of historical Palestine;
- Seven workshops held with teachers on the use of films in the classroom
- Over 2,100 copies of 47 Arab and international classic films distributed to schools
- 30 films with a Palestinian theme granted a publishing or distribution grant
- The Network of Arab Ciné-clubs, Shabaka, established, with 34 members from Palestine and three neighbouring countries;
- The establishment of a fully operational bilingual website, including database for technicians and Palestinian films, in addition to an on-line film discussion forum.

## *Training Programme*

The first part lasted five intensive weeks with twenty nine students (out of an original fifty six applicants), while the second lasted three weeks, with the number of students reduced to nineteen. Students were introduced to a number of important principles of the art, techniques and history of cinema and to a practical, working methodology, through a number of documentary and fictional directing exercises, as well as exercises in lighting, sound and editing. In addition, students attended a workshop in still photography and another in the principles of fictional script and documentary project writing. The Third Part included a short fictional film script competition and a short documentary project competition. These competitions were open to both the Programme students and to other producers and writers under the age of 35. Ten projects were short listed for an initial one-week writing seminar with Michel Khleifi in November 2006. Following the seminar, the student-writers were asked to prepare final drafts of their projects and, in January 2007, we selected three fictional projects and one documentary project for production in spring/summer 2007.

# The A M Qattan Foundation

## Trustees' Report (Continued)

### For the year ended 31 March 2008

#### ***School Film Education Project***

The Programme set up forty-six ciné-clubs equipped with all the latest video-projecting technology in various schools in all parts of historic Palestine (including the 1948 areas), in co-operation with the Ministry of Education and a number of private schools. The programme distributed high quality copies of more than thirty international classic films, subtitled in Arabic, in addition to a number of international and Arab classic films for which the distribution rights were bought and Arabic subtitling provided, where necessary. We also trained the teachers supervising these clubs in the basics of cinema and audio-visual language, the history of cinema, and some of the ways of using films in schools as an educational vehicle. The programme also designed and provided online materials to support teachers, including translated articles and books.

#### ***Publication and Distribution***

The project provided more than thirty grants for publication and distribution of films about Palestine on DVD. These were distributed to the 46 schools in addition to clubs and community centres affiliated to the Network of Arab Ciné-clubs (Shabaka), which we founded in all of historic Palestine, Jordan, Lebanon and Syria.

While the project presented a number of direct grants to distributors and producers to encourage them to release their films and make them available in the local and international market, the programme team also purchased the rights to classic films, which were not readily available in Arabic.

#### ***The Network of Arab Ciné-Clubs ('Shabaka')***

A network of national and Arab cinema clubs was set up to promote film culture and encourage reading, research and discussion at a regional level, despite the borders, roadblocks and closures that separate the Arab peoples from each other. This enabled the showing of the same film on the same day, or at least during the same week, in all the clubs.

#### ***Shabaka***

The project supplies participating centres and institutions with the following: A free copy of the film on DVD, internet and press exposure and publicity, an electronic discussion forum about the film, with information on the programme, titles and filmmakers, a well-documented article on the film during the period of its screening.

#### ***Classics of European Cinema in Translation***

The project was launched in January 2008 for a period of 9 months, jointly funded by the European Union with a budget of €105,000. The Project set up a high-end video subtitling unit in collaboration with Sama Productions in Ramallah. Non-commercial distribution rights were acquired for 15 classic European films and Arabic translations were made of these films, which were then shown through the Network of Arab Cinéclubs Clubs in Palestine, Lebanon, Syria and Jordan, as well as the ciné-clubs in the 46 schools set up as part of the Palestinian Audio-visual Project. The project aims specifically to: raise local skill levels in the specific technical field of production by means of setting up a translation unit, create a varied and outstanding programme of film showings in a large number of schools and local communities, make available classic films with Arabic subtitles, unavailable in the local market.

#### **Financial Review**

As indicated in the SOFA, the changes in incoming resources between 2007 and 2008, which amount to around £10,000 is insignificant. One of the main reasons for this was that the forwarded cash balances in the banks in Palestine from fiscal year 2006 was significant.

Regarding the resources expended, there is an increase of around £100,000 between 2007 and 2008 amounting to 7%. The main reason for this is the increase in the number of jointly funded activities and projects.

# The A M Qattan Foundation

## Trustees' Report (Continued)

### For the year ended 31 March 2008

#### Reserves Policy

The trustees have reviewed the reserves of the charity. To safeguard a level of reserves which will provide a stable base for its continuing activities while at the same time ensuring excessive funds are not accumulated, the trustees have determined to establish unrestricted reserves to cover 2 months operational costs (Approximately £300,000, or \$500,000). At 31 March 2008 the unrestricted reserves were a surplus of £288,695 (2007: £340,989), of which free reserves amounted to £284,124. To allow for downward fluctuations of the price of Sterling against the US Dollar, additional funds will be made available by the Trustees to ensure that reserves remain within the \$500,000 range.

#### Financial Status

The charity is privately funded by the A.M. Al-Qattan family. The Charity's financial situation is very solid. The donors are very committed to the Charity's work and the success of its projects, its financial independence and long term sustainability.

#### Future Plans

- As the Foundation approaches the ten year anniversary of the inception of its programmes in Palestine, it remains focused on the sectors of interest, namely education and culture, and committed to implementing its programmes and activities during 2009 with prudence, efficacy and the highest standards of professionalism.
- The Foundation's projected budget for 2009 is around GBP1.64 million, 89% of which is expected from the Al Qattan Charitable Trust and 11% from outside co-funding sources.
- 2009 will witness the closing of the Classics of European Cinema in Translation and the launching of the Gaza Music School, a 3-year pilot project with co-funding from the Swedish International Development Agency (SIDA).
- The opening of the Foundation's new premises in London is scheduled for October 2009, and the design of the Foundation's new building in Ramallah, Palestine is expected to be completed during the course of the year.
- The upcoming fiscal year (2009) will also witness the first strategic planning process to be carried out by the Foundation at large. The process will involve the board of trustees and almost all staff members of the Foundation. It will entail a thorough review of the Foundation's management structure and procedures, as well as its programmes and activities. The process, which is expected to take 6 months, will culminate in a 5-year strategic plan.

Further details on our operation can be obtained from our website:  
[www.qattanfoundation.org/en/index.asp](http://www.qattanfoundation.org/en/index.asp)

**The A M Qattan Foundation**  
**Trustees' Report (Continued)**  
**For the year ended 31 March 2008**

**Trustees' Responsibilities in relation to the Financial Statements**

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Audit Information**

In accordance with company law, as the trustees, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**Auditors**

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

**Small Company Exemption**

The trustees have prepared this report in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board of Trustees on 07/10/08.....  
and signed on their behalf by:

  
Abdul Muhsen Al-Qattan  
Director

# The A M Qattan Foundation

## Independent Auditors' Report to the Trustees of The A M Qattan Foundation

We have audited the financial statements of The A M Qattan Foundation for the year ended 31 March 2008 which comprise the Statement of Financial Activities (Incorporating the Summary Income and Expenditure Account), the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective Responsibilities of Trustees and Auditors

The responsibilities of the trustees (who are also the directors of The A M Qattan Foundation for the purposes of company law) for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Trustees' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2008 and of its incoming resources and application of resources, including the income and expenditure of the charitable company for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*V.S.T. J.M. L.L.P.*

Devonshire House  
60 Goswell Road  
London EC1M 7AD

**Kingston Smith LLP**  
Chartered Accountants  
and Registered Auditors

Date: 13/10/2008

**The A M Qattan Foundation**  
**Statement of Financial Activities (Incorporating the Summary Income and**  
**Expenditure Account)**  
**For the year ended 31 March 2008**

	Notes	Unrestricted £	Palestine Restricted £	2008 Total £	2007 Total £
<b>Incoming Resources</b>					
Donations		100,000	1,202,304	1,302,304	1,331,824
Investment income - bank interest		14,933	5,366	20,299	17,278
Other income		4,367	14,668	19,035	4,469
<b>Total Incoming Resources</b>		<u>119,300</u>	<u>1,222,338</u>	<u>1,341,638</u>	<u>1,353,571</u>
<b>Resources Expended</b>					
Charitable activities					
Grant-making:					
Grant expenditure	2	12,645	1,219,299	1,231,944	1,100,637
Grant related administrative costs	3	156,129	131,652	287,781	313,316
<b>Cost of Grant Making</b>		168,774	1,350,951	1,519,725	1,413,953
Governance costs	4	2,820	4,100	6,920	9,238
<b>Total Resources Expended</b>		<u>171,594</u>	<u>1,355,051</u>	<u>1,526,645</u>	<u>1,423,191</u>
<b>Net Incoming/(Outgoing) Resources for the Year</b>		(52,294)	(132,714)	(185,008)	(69,620)
<b>Other Recognised Gains and Losses</b>					
Unrealised gains on foreign currency transactions		-	4,757	4,757	10,055
<b>Net Movement in Funds</b>		(52,294)	(127,956)	(180,250)	(59,565)
Fund balances brought forward		340,989	2,677,935	3,018,924	3,078,489
<b>Fund balances carried forward</b>	10	<u>288,695</u>	<u>2,549,979</u>	<u>2,838,674</u>	<u>3,018,924</u>

All recognised gains and losses are included in the Statement of Financial Activities.

The results for the year all relate to continuing operations.

The notes on pages 13 to 17 form part of these financial statements.

**The A M Qattan Foundation**  
**Balance Sheet at 31 March 2008**

	Notes	2008 £	2008 £	2007 £	2007 £
<b>Fixed Assets</b>					
Tangible fixed assets	6		2,403,390		2,536,320
Assets under construction			<u>560</u>		<u>-</u>
			2,403,950		2,536,320
<b>Current Assets</b>					
Debtors	7	149,871		74,287	
Cash at bank		<u>803,383</u>		<u>765,329</u>	
		953,254		839,616	
<b>Current Liabilities</b>					
Bank overdraft		800		-	
Other creditors		188,888		93,742	
Accruals		<u>12,516</u>		<u>14,045</u>	
		202,204		107,787	
<b>Net Current Assets</b>			<u>751,050</u>		<u>731,829</u>
<b>Total Assets less Current Liabilities</b>			3,155,000		3,268,149
<b>Liabilities: Amounts falling due after more than one year</b>					
Provision for employees' benefits	8		<u>316,326</u>		<u>249,225</u>
			<u>2,838,674</u>		<u>3,018,924</u>
<b>Funds</b>					
Unrestricted	9		288,695		340,989
Restricted			<u>2,549,979</u>		<u>2,677,935</u>
	10		<u>2,838,674</u>		<u>3,018,924</u>

These accounts have been prepared in accordance with the special provisions of the Companies Act 1985 relating to small companies.

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

07/10/08

*Am. Qattan*

**Abdul Muhsen Al-Qattan**  
Director

The notes on pages 13 to 17 form part of these financial statements.

# The A M Qattan Foundation

## Notes to the Financial Statements

### For the year ended 31 March 2008

#### 1 Accounting Policies

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) 2005 issued in March 2005.

##### **Tangible Fixed Assets**

Tangible fixed assets are depreciated at rates calculated to write off the cost over the term of their useful lives, as follows:

Buildings	over 20 years
Furniture and fittings	over 4 - 7 years
Books	over 10 years
Computer equipment	over 3 years
Motor vehicles	over 5 years

##### **Investment Income**

Gross investment income is accounted for on a receivable basis.

##### **Donations and Grants**

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

When donors specify that donations and grants given to charity must be used in future accounting periods, the income is deferred until those periods.

When donors impose conditions, which have to be fulfilled before the charity becomes entitled to recognise such income, the income is deferred until the pre-conditions for use have been met.

##### **Resources Expended**

Expenditure is included on an accruals basis.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions, which have not been met at the year-end, are noted as a commitment, but not accrued as expenditure.

Governance costs are those costs incurred to comply with constitutional and statutory requirements.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity.

##### **Foreign Currency Balances**

Transactions in foreign currencies are recorded at the average exchange rate for the period. Foreign currency assets and liabilities have been translated into sterling at the rate of exchange prevailing at the balance sheet date. All differences on translation are taken to the Statement of Financial Activities.

##### **Fund Accounting**

Details of the nature and purpose of each restricted fund is set out in note 9.

Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees.



**The A M Qattan Foundation**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2008 (Continued)**

2 Charitable Grants Expenditure	Unrestricted	Palestine Restricted	2008 Total	2007 Total
	£	£	£	£
Donations paid to 54 individuals	-	42,895	42,895	92,918
Donations paid to 66 Institutions	12,645	78,547	91,192	105,712
	<u>12,645</u>	<u>121,443</u>	<u>134,088</u>	<u>198,630</u>
The Qattan Centre for Educational Research	-	358,232	358,232	309,908
The Qattan Centre for the Child	-	461,337	461,337	431,843
Culture and Arts Programme	-	70,418	70,418	50,220
Palestine Audiovisual Initiative	-	128,212	128,212	110,036
Classics of Euro Films Translation	-	4,530	4,530	-
Drama as Context for Learning - International School	-	41,792	41,792	-
Music Education Survey	-	1,559	1,559	-
Teachers' Capacity in Building IT	-	6,478	6,478	-
Summer Games Programme	-	25,299	25,299	-
	<u>12,645</u>	<u>1,219,299</u>	<u>1,231,944</u>	<u>1,100,637</u>

2008  
£

Grants payable to institutions in excess of £1,000 during the year are as follows:

Bethlehem Link	1,000
A-Z Theatre ( Mervat Shallouf)	1,500
Nakba 60 Campaign (commitment of 11,500)	6,395
Arab Media Watch (June Dinner)	1,000
Al Hodage Association	2,989
Al Kamandjati Association	5,230
Al Kasaba Theatre	1,295
Al Zaitoun Committee	2,491
Ashtar For Theatre Production & Training	2,491
Dar Qandeel	8,468
El-Funoun Palestinian Popular Dance Troupe	1,245
Fateh Al Mudarris Centre	2,988
Institute of Jerusalem Studies	1,494
Khalil Sakakini Cultural Centre	1,743
Mada al-Carmel - Arab Center For Applied Social Research	2,491
Norwegian People Aid	3,487
Palestinian National Theatre	1,081
Popular Art Centre	3,487
Riwaq	2,491
Tarshiha Group	2,242
The Edward Said National Conservatory of Music	5,728
Yabous Production	2,491
Al Dahriyyeh Teachers' Forum	1,095
Abasan School - Gaza	1,386
Elaboun School - Gaza	1,487
Al A'eshiyeh School - Gaza	1,387
Al Aqqad School - Gaza	1,385
Safad School - Gaza	1,543
Hafsah Bent Omar School - Gaza	<u>1,497</u>

**The A M Qattan Foundation**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2008 (Continued)**

**2 Charitable Grants Expenditure (Continued)**

The direct charitable expenditure of the Palestinian banch consisted of:	2008	2007
	£	£
Staff costs	506,428	450,144
Depreciation	154,574	152,737
Other costs	558,298	497,756
	<u>1,219,299</u>	<u>1,100,637</u>

**3 Grant Related Administrative Costs**

	Unrestricted	Restricted	2008 Total	2007 Total
	£	£	£	£
Salaries	41,336	86,776	128,112	113,594
Office costs	112,706	30,622	143,328	184,161
Depreciation	2,087	14,254	16,341	15,561
	<u>156,129</u>	<u>131,652</u>	<u>287,781</u>	<u>313,316</u>

The average number of persons employed by the company during the year was 68 (2007 - 65).

During the course of both years no payments were received by the trustees in respect of remuneration and expenses. No employee earned over £60,000.

**4 Governance**

	Unrestricted	Restricted	2008 Total	2007 Total
	£	£	£	£
Legal and professional fees	-	-	-	2,244
Auditors' remuneration:				
Audit fee	2,820	4,100	6,920	6,994
Other services	-	-	-	-
	<u>2,820</u>	<u>4,100</u>	<u>6,920</u>	<u>9,238</u>

**5 Net (Outgoings)/Incoming Resources for the Year**

	2008	2007
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets	173,282	168,297
Auditors' remuneration:		
Unrestricted	2,820	2,820
Restricted	4,100	4,174

**The A M Qattan Foundation**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2008 (Continued)**

**6 Tangible Fixed Assets**

	Freehold Land and Buildings	Furniture and Fittings and Books	Computer Equipment	Motor Vehicles	Total
Cost	£	£	£	£	£
At 1 April 2007	2,336,262	595,926	211,329	16,107	3,159,624
Additions	-	30,194	10,733	-	40,927
Disposals	-	(733)	-	-	(733)
At 31 March 2008	<u>2,336,262</u>	<u>625,387</u>	<u>222,062</u>	<u>16,107</u>	<u>3,199,818</u>
<b>Depreciation</b>					
At 1 April 2007	235,641	223,927	149,995	13,740	623,303
Charge for year	84,287	56,006	30,622	2,367	173,282
On disposal	-	(156)	-	-	(156)
At 31 March 2008	<u>319,928</u>	<u>279,777</u>	<u>180,617</u>	<u>16,107</u>	<u>796,428</u>
<b>Net Book Value</b>					
At 31 March 2008	<u>2,016,334</u>	<u>345,610</u>	<u>41,445</u>	<u>-</u>	<u>2,403,390</u>
At 31 March 2007	<u>2,100,620</u>	<u>371,490</u>	<u>61,843</u>	<u>2,367</u>	<u>2,536,320</u>

The building is registered at the Ministry of Justice in the name of Mr A M Al-Qattan and is held in Trust for the use and benefit of the A M Qattan Foundation - Palestine.

During the year ended 31 March 2001 the Foundation started to build a Cultural Centre for the Child in Gaza. 3,041 square metres of land was allocated to the Foundation by the Municipality of Gaza for this purpose on a long leasehold basis at a peppercorn rent.

**7 Debtors**

	2008 £	2007 £
Other debtors	98,916	35,400
Prepayments and accrued income	<u>50,956</u>	<u>38,887</u>
	<u>149,871</u>	<u>74,287</u>

**8 Provision for Employees' Benefits**

The Foundation - Palestine provides for its employees' severance pay and contribution to the employees' provident fund according to the prevailing labour law of Palestine.

**The A M Qattan Foundation**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2008 (Continued)**

**9 Restricted Funds**

On 29 April 1998, The A M Qattan Foundation - Palestine was established as a branch of the A M Qattan Foundation for the specific purposes of managing the Foundation's work in Palestine and the projects being carried on out there.

The funds held by the branch are therefore treated as a separate restricted fund in the accounts of the charity in accordance with the treatment prescribed in the Charities' SORP.

**10 Analysis of Net Assets between Funds**

	Unrestricted	Restricted	2008 Total	2007 Total
	£	£	£	£
Fixed assets	4,571	2,399,378	2,403,949	2,536,320
Net current assets	284,124	466,927	751,050	731,829
Liabilities: Due after more than one year	-	(316,326)	(316,326)	(249,225)
	<u>288,695</u>	<u>2,549,979</u>	<u>2,838,673</u>	<u>3,018,924</u>

**The A M Qattan Foundation**  
**Detailed Income and Expenditure Account**  
**For the year ended 31 March 2008**

**The A M Qattan Foundation - UK**

	2008	2008	2007	2007
	£	£	£	£
<b>Income</b>				
Donations receivable		100,000		112,000
Investment income		14,933		14,097
Other income		<u>4,367</u>		<u>-</u>
		119,300		126,097
<b>Expenditure</b>				
Office staff salary/NIC	41,336		31,295	
Donations	12,645		44,691	
Audit and accountancy	6,336		5,338	
Rent and service charges	77,471		88,325	
Dilapidation liability	-		10,000	
Rates	3,406		1,710	
Telephone	3,617		3,935	
General office costs	12,046		15,203	
Repairs and maintenance	3,582		13,544	
Bank charges and interest	178		118	
Stationery	927		3,986	
Legal fees	-		2,659	
Surveyors fees	-		7,887	
Premises and general insurance	2,687		2,808	
Couriers	2,393		1,986	
Depreciation:				
Furniture and fittings	344		216	
Office equipment	1,743		1,055	
Travel	1,473		-	
Advertising	-		150	
Subscriptions	30		60	
Translation fees	<u>1,380</u>		<u>737</u>	
		<u>171,594</u>		<u>235,703</u>
<b>Operating Loss</b>		<u><u>(52,294)</u></u>		<u><u>(109,606)</u></u>

This page does not form part of the financial statements on which the auditors have reported.

**The A M Qattan Foundation**  
**Detailed Income and Expenditure Account**  
**For the year ended 31 March 2008**

**The A M Qattan Foundation - Palestine**

	Notes	2008 £	2008 £	2007 £	2007 £
<b>Income</b>					
Donations receivable			1,202,304		1,219,824
Investment income			5,366		3,181
Other income			<u>14,668</u>		<u>4,469</u>
			1,222,338		1,227,474
<b>Expenditure</b>					
Donations		121,443		153,939	
Project expenses	1	1,097,857		902,007	
Administration salaries		76,809		73,396	
Severance pay		9,967		8,903	
Office expenses		18,894		19,332	
Professional fees		4,100		6,418	
Depreciation		14,254		14,290	
Other		1,906		3,301	
Accommodation and travel		5,212		5,902	
Unrealised gain on transactions of foreign currency balances		<u>4,757</u>		<u>(10,055)</u>	
			<u>1,355,199</u>		<u>1,177,433</u>
			<u>(132,861)</u>		<u>50,041</u>

**Note 1**

**Project Expenses**

Employees' benefits		506,428		450,144
Office expenses		185,696		148,827
Workshop and training		177,629		44,450
Professional fees		22,286		8,254
Audiovisual equipment for school		502		40,339
Translation		7,466		11,484
Transportation		6,241		8,679
Depreciation		154,574		152,737
Accommodation and travel		32,303		19,689
Other		<u>4,732</u>		<u>17,404</u>
		<u>1,097,857</u>		<u>902,007</u>

This page does not form part of the financial statements on which the auditors have reported.