



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

(A charitable company limited by guarantee without having a share capital)

Company Registration Number: 02171893

Charity Registration Number: 1029450

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2010

The A. M. Qattan Foundation

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The A. M. Qattan Foundation

Company Information

Trustees	Mr Abdul Mohsen Al-Qattan Mrs Laila Al-Qattan Mr Omar Al-Qattan Mrs Najwa Al-Qattan Mrs Leenah Al-Qattan	
Administrative Director	Ms Julia Helou - London	
Executive Director	Mr Ziad Khalaf - Ramallah	
Secretary	Mr Omar Al-Qattan	
Registered Office & Business Address	Tower House 226 Cromwell Road London SW5 0SR	
Company Registration Number	02171893	
Charity Registration Number	1029450	
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD	
Solicitors	Thomas Eggar LLP 75-76 Shoe Lane London EC4A 3JB	
Bankers	Arab Bank 73 Brook Street Mayfair London W1K 4HX	NatWest Bank Plc P.O. Box 592 18 Cromwell Place London SW7 2LB

The A. M. Qattan Foundation

Trustees' Report

For the year ended 31 March 2010

Governance

The Charity is governed by policies and procedures devised originally with support from a professional firm of auditors to cover all operations. Semi-annual reports on all programmes and projects are submitted to the Board for discussion, guidance and approval. The Board meets with the Management Committee of the Charity at least twice a year. The Management Committee is composed of all members of staff at Director level.

The Constitution of the Charity

A registered charity - a company limited by guarantee

Method for Recruitment and Appointment of Trustees

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.

Risk Management

The Trustees recognise that protecting the Charity from harm is essential to the AM Qattan Foundation's ability to implement its programmes. A Risk Management Policy and a Risk Register are in place and are regularly reviewed and then approved by the Board of Trustees. The Register identifies the major risks to which the Charity may be exposed. To minimise these risks, the Trustees have established rigorous financial controls and procedures for the authorisation of projects and transactions.

All significant activities are subject to a risk review as part of their initial assessment and thereafter during implementation. Major risks are then identified in terms of their likelihood and potential impact. These include risks affecting:

- Operational performance, including risks to our staff, partners, beneficiaries and consultants;
- Achievement of our aims and objectives and
- The expectations of our beneficiaries and supporters.

Public Benefit

We have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees, as well as all senior members of staff, are asked to carefully consider how planned activities will contribute to the aims and objectives they have set. The Strategic Review process launched in late 2008, and which continues over the reporting period, has as one of its main aims a rigorous correlation between the Charity's stated aims, values and objectives and its operational strategies and achievements. The process will also put into place a number of evaluation procedures which will allow the Trustees to regularly monitor this correlation to ensure that benefit to the public, and specifically to our target group, is achieved.

In that regard, the Trustees are satisfied that all activities and the benefits arising from them are strictly in line with the Charity's stated aims; that its activities are solely focussed on children, teachers and young artists and creators; that all opportunities and benefits are offered on an open, transparent but competitive basis, while ensuring that activities are distributed across geographical, economic and social areas and strata with a specific focus on marginalised or impoverished communities (for example in rural areas or refugee camps), without compromising the quality of services provided.

The Charity's Aims and Beneficiaries

The A.M. Qattan Foundation was founded and registered as a charity in the UK in 1994. Since 1998, it has worked towards the development of culture and education in Palestine, with a particular focus on children, teachers and young artists through programmes that foster critical thinking, creativity and the production of knowledge. Its core programmes are:

The **Qattan Centre for Educational Research and Development** actively participates in raising the standards of education and teaching in Palestine. It engages directly with schoolteachers and administrators in developing their skills and knowledge to improve learning conditions for pupils of all ages.

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The **Qattan Centre for the Child** in Gaza City holds over 105,000 books and other media and offers a variety of library and information services. Established to compensate for the lack of incentives and opportunities open to children at school and elsewhere, it aims to nurture their curiosity, expand their knowledge and facilitate their access to outside cultures. The Centre provided free in-house services to its 12,000 members and to thousands more through its outreach programme.

The **Culture and Arts Programme** supports talented people, particularly the young, in a number of creative fields, offering them incentives to develop their skills and explore new horizons. It also promotes cultural collaboration between Palestine, the Arab region and the rest of the world. Three major projects embody the spirit of this work: a funding programme in the performing arts, co-financed with the Ford Foundation; the **Palestinian Audio-visual Project**, which works in film and Television training, DVD publishing and distribution, school film education and film subtitling; and, most recently, the **Gaza Music School Project**, co-funded with the Swedish International Development Agency.

The **Mosaic Rooms**, a new space for exhibitions, lectures and workshops in Central London, opened to the general public in November 2008. A permanent office building in Ramallah combined with a state-of-the-art cultural centre is currently in the design phase and is planned to open in 2012-2013.

Objectives, Achievements and Identification of needs

These have not changed and remain as follows:

Vision

A just, free, enlightened and tolerant society with a global presence; one that embraces dialogue and is a producer of knowledge, art and literature.

Mission Statement

An independent, not-for-profit developmental institution working in the culture and education sectors targeting a variety of social groups, particularly children, teachers and young artists, which

- Aims to empower free-thinking, enlightened individuals to overcome the challenges of war and injustice and to create a flourishing and dynamic society in Palestine and the Arab World;
- Adopts a long-term, participatory developmental ethos through programmes that foster critical thinking, research, creativity and the production of knowledge, while also providing an inspiring model of transparency and excellence;
- Advocates cultural and educational development as an essential tool of resistance for a society faced by conditions of acute political instability and humanitarian catastrophe.

Values

Defence of the rights and dignity of all

Inspired by the enduring vision enshrined in the Universal Declaration of Human Rights, which affirms that "All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood," the Foundation supports women and men to combine their self-development with the service of others, specifically through the provision of inclusive public services of a high standard.

Freedom, pluralism, dialogue, the production of knowledge and new thinking

The Foundation believes in the individual's rights to freedom of thought, creed, and free expression. These rights are key components of its internal policies and its work in the fields of culture and education, where the sharing of ideas and practices is considered essential for the production of knowledge and new thinking.

Working in a collegiate spirit of productivity

The Foundation is aware that it can only realise its goals if it has the support of its target constituencies and their shared agreement on the value, meaning and potential effectiveness of its work. As such, it always aims to operate in a collegiate spirit of cooperation and partnership with its staff and the groups it serves, whether they are children, artists or teachers.

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For the year ended 31 March 2010

The courage to be just

The Foundation realises that long-term peace, equality and prosperity require the courage to be just and defend the oppressed.

The Charity's projects and programmes, which are all based on identified needs in Palestinian society, actively operate within the framework of the values adopted to fulfil the mission and vision of the Charity.

Strategy

The key elements of our medium to long-term strategy are:

- Implementing the five-year strategic plan (2009 – 2013), including revision and development of all policies and completion of new organisational structure, salary scale, matrix of authority, etc, with a view to greater integration between different geographical offices and between the three programmes;
- Expansion of new partnerships with a view to achieving 40% co-funding goal by 2014;
- Continuous expansion of our user-base among target groups, both in and outside Palestine;
- Continuous expansion of our networks of international institutions (and individuals) with which we develop common projects in education and/or culture;
- Growth of our ability to influence educational and cultural policy in Palestine.

How we measure the success of the strategy?

- Regular assessment of demand on the services provided, especially to teachers, trainers and children;
- Degree of response and attendance by public in our cultural activities;
- Press coverage of our activities;
- Participation (both qualitative and quantitative) in the various activities of the Culture and Arts Programme both inside and outside Palestine;
- The Foundation also carries out independent, periodic evaluations of its projects and programmes using relevant expertise.

Herewith is a summary of activities of the Foundation's three main programmes:

1) The Qattan Centre for the Child – Gaza City

Director: 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. With membership exceeding 17,000 since its establishment in 2005 and the annual number of visits reaching 58,006 children and adults.

The Centre's outreach services programme benefited from three external funding opportunities, one from SDC - Swiss Agency for Development and Cooperation and two from Save the Children (UK). Among other activities, it organized 41 separate performances and events in 24 different schools and was enjoyed by more than 9,000 children.

The Library

The Library's collection topped 105,445 items including books, videos, cassettes, CDs and material for children with special needs. External lending, where children borrow books and CDs to take home, reached 98,199 items and internal lending, where children use books and CDs inside the library reached 172,077 items.

Library Activities

To promote the use of the library and encourage reading, QCC librarians held a series of cultural activities aimed as "magnets" for children to use the library resources and develop their habit of reading, research and self-learning. The Family Literacy Programme successfully implemented its first year of activity in collaboration with 27 kindergartens. At 1,257 parent and child, attendance was excellent, although we were disappointed with the very low turnout of fathers (only 27, i.e. 2.15%) The Centre plans to further develop and expand this programme.

Arts Programme

The Centre provides an arts programme that covers the visual arts, drama, cinema and other recreational activities. During the reporting period, it organized workshops, events and film screenings through its six principle clubs: the

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reading club, the drama and theatre club, the popular dance club, the choir, the little artist and the electronic writers' club.

IT Literacy

The Centre organized a number of specialized IT courses, ranging from introductory to advanced, in subjects such as Visual Basic, video editing, Front Page, Photoshop, Windows, MSWord, website design and other programme through its Web Designers Club, its Programmers Club and its Librarians' Club.

2) The Qattan Centre for Educational Research and Development in Ramallah and Gaza City (QCERD)

Director: Wasim Kurdi

Palestinian teachers remain the primary focus of the QCERD work and it continues to support them through three major tracks: Arts and Education; Science and Education; and Languages/The Social Sciences and Education, using the following approaches:

Educational Research

Three research approaches were adopted:

1. Creative-Reflective Research, where researchers, teachers and students were full partners in the research projects. Seven research topics were undertaken all related directly to the daily lives and reflections of the participants.
2. Applied Research, with focus on problem-based learning, emotional intelligence, integrated learning and scientific enquiry.
3. Curriculum-based Research, where alternative approaches in applying the curriculum were investigated in teaching Arabic, English, math, science and history in 33 schools. Teachers were active participants in the research.

The Centre employed these approaches when carrying out an in-depth diagnostic study of six schools in cities, towns and villages in the Ramallah and Hebron areas. The study was co-funded by UNICEF; its results will come out in the fall of 2010 and are expected to help the Ministry of Education, UNICEF and the Centre to better develop their future plans.

Teacher Professional Development

The Centre continued to offer professional development courses for teachers with emphasis in three areas; development of pre-school teachers, especially in science education; the relationship between history and literature and their role in fostering national identity, and the use of drama in education. As an offshoot of the Drama in Education Summer School, participants applied their new acquired skills in the classroom during the academic year 09/10 under the supervision of the QCERD. The Drama in Education Teachers Forum held a number of workshops during which members shared their applied experiences and received further theoretical and practical training. The Centre also hosted the Big Brum Theatre in Education Company from the UK, which ran a number of workshops and staged a play.

Furthermore, in collaboration with the Hani Qaddumi Scholarship Foundation (see <http://www.hq-sf.org/>) QCERD provided a scholarship to Fareed Saadeh, who will study for an MA in Computer-assisted Language Learning at the University of Essex.

Forums

The Centre continued to provide professional and material support to the teachers' forums, which were established through teachers' initiatives in several towns and cities. The QCERD intervention focused on energizing the forums and networking between them. Forums are now active in Yaabad, Jenin, Jericho and Tulkarem (northern and central West Bank); and in Ithna, Halhoul and Doura in the south, as well as one in Nazareth, which is specifically focused on drama in education. In Gaza, QCERD's forums organized 51 meetings involving 578 teachers.

In addition, the Centre launched the Teachers' Resource Centre in the village of Ni'illin (West Bank), which to date has successfully organised a number of training days and public film screenings involving ten other neighbouring villages.

Workshops, Study Days and Conferences

The Centre carried out numerous workshops and study days that included subjects such as creative thinking, emotional intelligence, maths education, the role of play in education, creative writing and the use of multimedia in

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teaching. In particular, QCERD continued its work in animation and established the first animation studio project in Silwad Secondary School for Girls.

The main event this year was a two-day national conference on education held on 18 and 19 December 2009 (The 3rd Qattan Educational Conference) attended by more than 280 teachers and professionals (and a small number of pupils).

Resources, Publications and Documentation

The Library

The number of visitors to the libraries in Ramallah and Gaza was 9,897. The collection in the libraries exceeded 21,000 titles; around 1,500 titles were added during the reporting period. Membership in databases included Questia, ASCD, NSTA and NCTM.

Ru'a Tarbawiyah Journal

The Centre published three issues (no. 29, 30, 31) of its quarterly educational magazine, *Ru'a Tarbawiyah*. The issues respectively focused on the Qattan Annual Education Conference, early childhood and science education. Each of the issues included a number of translated papers related to the focus themes.

3) The Culture and Arts Programme

Director – Mahmoud Abu Hashhash

The Culture and Arts Programme has seen a steady rise in the number of people who have benefited directly and indirectly from its work as well as a widening of the range of cultural and artistic activities which it has organized or supported either on its own or in conjunction with others, both in Palestine and abroad.

The Performing Arts

Through the co-funding agreement with the Ford Foundation, nineteen grants were approved in the performing arts, ten of which for new productions, two for promotion, one in documentation and publication, three in research and translation, and four in specialized training. These were complimented by twelve study scholarships in instrumental and vocal fields, and seven study scholarships in theatre and dance. The Programme also supported more than seventy performances in music, theatre and stand-up comedy across the country.

As for training in the performing arts, the Programme supported another three specialized workshops, and for the fourth year running, organized the Performing Arts Summer School in partnership with the Royal Flemish Theatre in Brussels.

Literature

The Programme organized the Young Writer of the Year Award (YWYA) 2009 for best novel and best play. Fifteen novels and six plays applied. The international jury chose the novel *Maqdisia Ana* by Alaa Moufid Muhanna (Galilee) for best novel and withheld the best play prize. It also supported a number of literary events, including the 2nd edition of PALFEST. (www.palfest.org).

Visual Arts

The Programme received 62 applications for the 2010 Young Artist of the Year Award (YAYA). The jury shortlisted eleven artists, who will now produce their work for the final stages of the competition, in October 2010.

The Programme also organized and supported seventeen art exhibitions, and three workshops and.

Artistic and Literary Residencies

The Programme funded nine literary and art residencies, including at Cité des art in Paris, the Delfina Foundation in London and Città dellarte in Biella Italy.

Publications

The Programme published *Fragile Bodies*, the 2008 Young Artist of the Year Catalogue; translations of plays by Harold Pinter and Victoria Britain and a new play by Amir Nizar Zubi.

Guest House

The Foundation hosted twelve visitors from several countries that included the USA, Greece, Sweden, Eire, Denmark, Jordan, Italy and the UK at its guesthouse in Ramallah. The majority of guests were artists undertaking projects with the local community.

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Other Activities

The Programme launched a new website entitled Narrating Gaza (www.narratinggaza.ps), to document artistic testimonies about the Israeli war on Gaza in January 2009.

As part of the Foundation's human resource development policy, the Programme staff participated in training activities and seminars in the US and Egypt.

The Palestinian Audio Visual Project/Classics of European Cinema in Translation – this has now been integrated into the Culture and Arts Programme under a newly created **Audio-visual Unit**. As part of this new unit, we launched the Production Support Project, a three-year funding project for short and medium format fiction film, co-sponsored by the Kingdom of the Netherlands office in the Palestinian Territories. A new coordinator was appointed for this project in March 2010.

The Gaza Music School Project (Coordinator: Ibrahim Najjar) - this too has now been integrated under the Culture and Arts Programme.

After re-opening for the second time in April 2009, following refurbishment of our new premises, the school re-launched with a small party. New instruments and furniture were purchased including two new Yamaha pianos, which were shipped through the good offices of ANERA. Registration for the new year opened in June 2009. 150 applications were received (three times as many as in 2008) but the selection committee was unfortunately only able to accept twenty-five new students, each of whom received a \$1,500 annual scholarship. The partnership with the West Bank-based Edward Said National Conservatory of Music continued from strength to strength. There were also a couple of experimental violin lessons by videoconference with UK musician Simon Hewitt-Jones using the facilities in the Mosaic Rooms.

A number of concerts and open days were organised throughout the year, including a short performance in honour of a UK Parliamentary group visiting the Gaza Strip in mid-December 2010.

Support in-kind and in cash also continued to pour into the project from different parts of the world., including of course our three-year co-funding partnership with the Swedish International Development Agency (SIDA).

The Mosaic Rooms

(currently managed by Omar Al-Qattan on a voluntary basis)

The Rooms enjoyed a lively programme of events including:

Exhibitions:

1. **Hanaa Mal-Allah**, *Vivid Ruins*. Held between March 19 and April 2 2009.
2. **Fragile Bodies** – selection from Young Artist of the Year 2008 Show;
3. *Ordinary Lives*; photography by **Rania Matar**, 5/11 - 26/11.
4. *Is this Your First Time in Gaza*, Work by **Hazem Harb**. 26 February to March 25 2010.

Literary Events:

- April 22: **Joumana Haddad**, launch of *Invitation to a Secret Feast* with the author reading in Arabic and Schona Jolly reading in English.
- September 30: *Celebrate Darwish*, launch of selection of poems translated to English, Saqi Books, with readings by Margaret Obank and Ruth Padel of translations from the Arabic, which was recited by Fawzi Karim and Omar Al-Qattan (filling in for Hanan El-Sheikh, who could not attend). Full house.
- October 10, launch of **Zeina B. Ghandour's** book *A Discourse on Domination in Mandate Palestine: Imperialism, Property and Insurgency*. Full house.
- October 21, launch of **Gaby Baramki's** book, *Peaceful Resistance: Building a Palestinian University Under Occupation*, published by Pluto. Full house.
- November 26, **Wadad Maqdisi**, *A World I loved*, book launch, with Ahdaf Soueif, Mariam and Najla Said & Perseus Publishers. Full house.
- March 18, **Victor Kattan** lecture. Full house.

Other events:

- Crafts Fair for Gaza, Saturday April 19.

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- Arab Club film screening, evening of April 21.
- Syrian Arab Association, film screening in the presence of actress Sulaf Fawakhirji.
- Earl's Court Festival, 8 to 19 July;
- Earl's Court Society, Hire of Board Room;
- Funky Moves Dance Club – Alice Butler, once a week, two hours, 4 times, between September and December;
- Portobello Film Festival, two afternoon screenings, Saturday and Sunday September 12 and 13;
- October 26 to October 31, Federation of Arabic Schools: Exhibition by artist Hani Mazhar (in basement only) and two lectures:
- 24 November, East West Publishing, Company Launch, (Sahar Huneidi);
- December 12, Jason Bradbury, private exhibition;
- 14 December: The Arab Club of Britain (Nabih Muqaid);
- 9 March: AUB Alumni (Leila Buheiry), Nabil Saleh book launch;
- 10 March: RBKC, Cycling Forum (Marina Kroyer);

Residencies:

- **Abir Boukhari** (Syria, young curator), seven weeks November and December, in training at Tate Britain;
- **Jawad and Tina Malhi** 19/1 - 23/1 – as part of preparation for Jawad's summer show. Tina will be curating the show and staying in the residency again.
- **Hazem Harb**, 25/2 for two weeks, during his show;
- **Zeina Barhoum**, young soprano from Jordan (in association with Peace and Prosperity Trust (Raja'i Khouri and Leila Buhairi), from 10 to 26 March for training with a number of singing coaches. We also supported her airline ticket and coaching sessions.
- **Saliba Shehadeh**, Welfare Association accountant, 27/3 - 4/4, for WA Echo Audit.

Events offered free of charge during the period:

- June 18, fundraising film screening for **Cycle for Gaza**;
- **Earls Court Festival** – although we had some profit-sharing arrangements in place, the aim of this collaboration was to improve our local exposure and profile with the Council. This partnership will be reviewed next year as it was time consuming but failed to bring in new audiences, the only exception being the evening with Tony Benn.
- Friday November 20, **Welfare Association** Board Meetings;
- December 12, **Chelsea Music Academy** launch. This project has unfortunately stopped.

Grants Policy

The majority of the grants provided by the Foundation are from within the Culture and Arts Programme. Otherwise grants are assessed and decided upon by the Board and selected according to their relevance to our overall objectives.

Financial status

The Charity is principally funded by the Al-Qattan Charitable Trust. Ever since its establishment, the Trust has been and continues to be committed to the Charity's work and to the success, financial independence and long-term sustainability of its projects. It also maintains extremely strict parameters for accepting external funding of any sort, which must be totally unconditional. In that spirit, it has been able to develop excellent collaborative projects with highly prestigious institutions such as the Ford Foundation, as well as official agencies of the EU and the Swedish International Development Agency. This allowed it to expand its work without compromising its independence. In 2009-2010, the percentage of external funding reached 21.48% of the overall budget, a significant step in achieving the target set last year by the Board to double the Foundation's budget and increase external funding to 40% of total.

Hence the increase in incoming resources from generated funds were due to the rise in the number of co-funded projects and activities. The marked *decrease* in investment income was due to the sharp drop in US\$ interest rates during the period.

Under Charitable Activities, the marked increase was due to the opening and expansion of activities in The Mosaic Rooms London. On the other hand, the Foundation was able to add to its Other Incoming Resources due mainly to the sale of its car.

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In all, the marked decrease in Total Incoming Resources was mainly due to the net effect of the donated land on this figure during 2009 as well as the increase in income from co-funded projects during 2010. The donated land also explains the marked decrease in Net incoming/outgoing resources for the year.

This is also reflected in the significant increase in grant expenditure due to an increase in the number of projects and activities. In London, the Mosaic Rooms also necessitated a significant rise in the cost of grant making. However, a marked reduction in governance costs in 2010 was due to the one-off payment of strategic planning consultancy fees in the previous period.

Finally, under Other Recognised Gains and Losses, no currencies other than the US dollar were used for projects during 2010, which explains the marked difference in this figure between the two periods, due mainly to fluctuating exchange rates.

Reserves Policy

The Foundation maintains a 100% Cash Reserves policy as far as its employees severance pay and employees' Provident Fund are concerned (£591,206 as of March 31 2010). No other reserves policy is currently in place.

Future Plans

- To maintain high standards of professionalism and achieve our objectives in all the sectors covered by our projects;
- Make further progress on the Foundation's new Palestine HQ building, planned to open in Ramallah in 2012-2013. This will offer state of the art facilities for the Foundation's management and programmes, as well as public facilities including a gallery, library and a multi-purpose hall. It is currently in the design phase.
- Expand the network of relations with kindred organisations in the Middle East, specifically to ensure proper sharing of information, research and artistic productions of the Foundation's Programmes to the maximum number of people in the region.
- Expand the distribution network of our published material to cover the whole of the Middle East.
- Increase annual spending by attracting further external funding, without decreasing the level of contributions by the Al-Qattan Charitable Trust.

Connected Charity

The Charity provided meeting rooms and hospitality to the Welfare Association UK and Welfare Association Geneva for their semi-annual meetings in November 2009. Two of the Charity's Trustees are also members of the Board of Trustees of the Swiss charity and one is also a member of the UK sister charity. Welfare Association (Geneva) is one of the largest independent Palestinian NGOs, working in social, economic and cultural development.

Trustees' Responsibilities in relation to the Financial Statements

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

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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Trustees' Report
For the year ended 31 March 2010**

The trustees are responsible for keeping proper 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; and
- 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 charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Kingston Smith LLP have indicated their willingness to continue in office and are deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

Small Company Exemption

The trustees have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Board of Trustees on
and signed on their behalf by:

6.9.2010



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Omar Al-Qattan, Secretary

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 2010 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 and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008).

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. 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 trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implication 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 of the state of the charitable company's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information provided in the Trustees' Annual Report is consistent with the financial statements.

Neil Finlayson
.....
Neil Finlayson, Senior Statutory Auditor
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London EC1M 7AD
Date: 8/9/2010

The A. M. Qattan Foundation
Statement of Financial Activities (Incorporating the Summary Income and
Expenditure Account)
For the year ended 31 March 2010

	Notes	Unrestricted £	Restricted £	2010 Total £	2009 Total £
INCOMING RESOURCES					
Incoming resources from generated funds					
Donations		101,000	1,640,533	1,741,533	1,221,148
Land donated as gift in kind		-	-	-	1,183,353
Investment income - bank interest		299	1,362	1,661	11,485
Charitable activities					
The Mosaic Rooms		77,875	-	77,875	7,140
Other incoming resources		<u>1,470</u>	<u>16,456</u>	<u>17,926</u>	<u>7,335</u>
Total Incoming Resources		<u>180,644</u>	<u>1,658,351</u>	<u>1,838,995</u>	<u>2,430,461</u>
Resources Expended					
Charitable activities					
Grant-making:					
Grant expenditure	2	12,232	1,581,031	1,593,263	1,446,890
Grant related administrative costs	3	<u>97,297</u>	<u>168,247</u>	<u>265,544</u>	<u>315,275</u>
Cost of Grant Making		109,529	1,749,278	1,858,807	1,762,165
The Mosaic Rooms		58,926	-	58,926	8,984
Governance costs	4	<u>3,114</u>	<u>6,579</u>	<u>9,693</u>	<u>25,648</u>
Total Resources Expended		<u>171,569</u>	<u>1,755,857</u>	<u>1,927,426</u>	<u>1,796,797</u>
Net Incoming/(Outgoing) Resources for the Year		9,075	(97,506)	(88,431)	633,664
Other Recognised Gains and Losses					
Unrealised (loss) / gain on foreign currency transactions		-	(11,503)	(11,503)	218,583
Net Movement in Funds		9,075	(109,008)	(99,933)	852,246
Fund balances brought forward		<u>153,698</u>	<u>3,537,222</u>	<u>3,690,920</u>	<u>2,838,674</u>
Fund balances carried forward	10	<u><u>162,773</u></u>	<u><u>3,428,214</u></u>	<u><u>3,590,987</u></u>	<u><u>3,690,920</u></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 14 to 18 form part of these financial statements.

The A. M. Qattan Foundation
Balance Sheet at 31 March 2010

	Notes	2010 £	2010 £	2009 £	2009 £
Fixed Assets					
Tangible fixed assets	6		3,347,443		3,441,520
Assets under construction			<u>85,700</u>		<u>21,196</u>
			3,433,143		3,462,716
Current Assets					
Debtors	7	363,733		351,996	
Cash at bank		<u>988,831</u>		<u>905,677</u>	
		<u>1,352,564</u>		<u>1,257,673</u>	
Current Liabilities					
Bank overdraft		-		721	
Other creditors		600,231		62,850	
Accruals		<u>3,283</u>		<u>425,525</u>	
		<u>603,514</u>		<u>489,096</u>	
Net Current Assets			<u>749,051</u>		<u>768,577</u>
Total Assets less Current Liabilities			4,182,193		4,231,293
Liabilities: Amounts falling due after more than one year					
Provision for employees' benefits	8		<u>591,206</u>		<u>540,372</u>
			<u>3,590,987</u>		<u>3,690,920</u>
Funds					
Unrestricted	9		162,773		153,698
Restricted			<u>3,428,214</u>		<u>3,537,222</u>
	10		<u>3,590,987</u>		<u>3,690,920</u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 14 to 18 form part of these financial statements.

Approved by the Board of Trustees, and authorised for distribution, on and signed on its behalf:

6.9.2010


 Abdul Muhsen Al-Qattan
 Director

COMPANY NUMBER: 02171893

The A. M. Qattan Foundation

Notes to the Financial Statements

For the year ended 31 March 2010

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

The cost of the property, plant and equipment includes all of the expenditures incurred so as to make the assets ready for use. Any subsequent expenditure is capitalised only when they increase the future economic benefits to the related property, plant and equipment.

Assets under the course of construction comprise the costs incurred on an incomplete project, which include design cost, construction, direct wages and a portion of the indirect costs. After completion, all project costs are capitalised and transferred to property, plant and equipment as appropriate.

Investment Income

Gross investment income is accounted for on a receivable basis.

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

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.

The A. M. Qattan Foundation
Notes to the Financial Statements
For the year ended 31 March 2010 (Continued)

1 Accounting Policies (continued)

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.

Provisions

Benefits payable to the Palestine employees at the end of their employment is provided for in accordance with Palestine labour laws. The calculation is based on accruing one month's worth of compensation for each year of service based on the last basic salary paid.

The charity deducts 5% from the employees' monthly basic salaries for the provident fund and contributes a similar amount. Both contributions are deposited in a separate interest-bearing bank account.

2 Charitable Grants Expenditure

	Unrestricted	Restricted	2010 Total	2009 Total
	£	£	£	£
Donations paid to 51 (2009: 74) individuals	-	213,647	213,647	89,791
Donations paid to 62 (2009: 8) Institutions	12,232	19,208	31,440	24,839
	12,232	232,856	245,088	114,630
The Qattan Centre for Educational Research and Development	-	433,563	433,563	463,770
The Qattan Centre for the Child Culture and Arts Programme	-	599,344	599,344	573,723
Enhancing the Outreach Services	-	146,185	146,185	192,431
Programme in the Gaza Strip	-	25,998	25,998	-
Classics of European Cinema in Translation	-	-	-	69,375
Drama Summer School	-	50,902	50,902	10,876
Production Support Project	-	2,202	2,202	-
Developing a Family Literacy Programme in Kindergartens in the Gaza Strip	-	20,741	20,741	-
Gaza Music School	-	56,472	56,472	21,908
Using Simulation in Education	-	8,540	8,540	177
Teachers' Resource Centre - Ni'lin	-	3,212	3,212	-
Research in Palestinian Schools	-	1,017	1,017	-
	12,232	1,581,031	1,593,262	1,446,890

The A. M. Qattan Foundation
Notes to the Financial Statements
For the year ended 31 March 2010 (Continued)

2 Charitable Grants Expenditure (Continued)

	2010 £
Grants paid to institutions in excess of £5,000 during the year are as follows:	
First Ramallah Group	8,144
Al Kamandjati Association	9,710
Al Laz Theatre	11,276
Al Yater Association	5,011
Ashtar Theatre	5,011
Beit Al Musica Association	5,011
Creative Women Association	5,011
Edward Said National Conservatory of Music	6,578
Forsan Al Arab Association	10,649
Hayat Association	9,396
Ibhar Association	6,264
Palestine Circus School	10,336
Popular Art Centre	12,529
Sabreen Association	<u>5,011</u>

The direct charitable expenditure of the Palestine branch consisted of:

	2010 £	2009 £
Staff costs	638,425	621,093
Depreciation	182,395	210,459
Other costs	<u>764,524</u>	<u>604,148</u>
	<u>1,585,344</u>	<u>1,435,700</u>

3 Grant Related Administrative Costs

	Unrestricted	Restricted	2010 Total	2009 Total
	£	£	£	£
Salaries	61,854	115,704	177,558	165,300
Office costs	32,831	26,555	59,386	123,855
Depreciation	<u>2,612</u>	<u>25,988</u>	<u>28,600</u>	<u>26,120</u>
	<u>97,297</u>	<u>168,247</u>	<u>265,544</u>	<u>315,275</u>

The average number of persons employed by the company during the year was 83 (2009 - 72).

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.

The A. M. Qattan Foundation
Notes to the Financial Statements
For the year ended 31 March 2010 (Continued)

4 Governance	Unrestricted	Restricted	2010 Total	2009 Total	
	£	£	£	£	
Legal and professional fees	-	668	668	17,104	
Auditors' remuneration:					
Audit fee	<u>3,114</u>	<u>5,911</u>	<u>9,025</u>	<u>8,544</u>	
	<u><u>3,114</u></u>	<u><u>6,579</u></u>	<u><u>9,693</u></u>	<u><u>25,648</u></u>	
5 Net (Outgoings)/Incoming Resources for the Year			2010	2009	
			£	£	
This is stated after charging:					
Depreciation of tangible fixed assets			223,317	236,577	
Auditors' remuneration:					
Unrestricted			3,114	2,900	
Restricted			<u>5,911</u>	<u>5,644</u>	
6 Tangible Fixed Assets	Freehold Land and Buildings	Furniture and Fittings and Books	Computer Equipment	Motor Vehicles	Total
Cost	£	£	£	£	£
At 1 April 2009	3,519,615	676,267	200,246	16,107	4,412,235
Additions	-	97,165	18,625	15,260	131,050
Disposals	<u>-</u>	<u>(4,029)</u>	<u>(14,676)</u>	<u>(15,372)</u>	<u>(34,076)</u>
At 31 March 2010	<u>3,519,615</u>	<u>769,403</u>	<u>204,195</u>	<u>15,996</u>	<u>4,509,209</u>
Depreciation					
At 1 April 2009	438,244	347,361	169,003	16,107	970,715
Charge for year	111,572	93,744	17,375	627	223,317
On disposal	<u>-</u>	<u>(2,674)</u>	<u>(14,220)</u>	<u>(15,372)</u>	<u>(32,265)</u>
At 31 March 2010	<u>549,816</u>	<u>438,430</u>	<u>172,158</u>	<u>1,362</u>	<u>1,161,766</u>
Net Book Value					
At 31 March 2010	<u><u>2,969,799</u></u>	<u><u>330,973</u></u>	<u><u>32,037</u></u>	<u><u>14,633</u></u>	<u><u>3,347,443</u></u>
At 31 March 2009	<u><u>3,081,371</u></u>	<u><u>328,906</u></u>	<u><u>31,243</u></u>	<u><u>-</u></u>	<u><u>3,441,520</u></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 2008, Mr. Abd-almohsin Al-Qattan granted the Palestine branch a piece of land as a donation to be used for establishing a new place for the Foundation. The land was valued according to prevailing market rates in 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. The Centre, called the Qattan Centre for the Child, opened to the public in September 2005.

The A. M. Qattan Foundation
Notes to the Financial Statements
For the year ended 31 March 2010 (Continued)

7	Debtors	2010	2009
		£	£
	Other debtors	331,888	311,935
	Prepayments and accrued income	<u>31,845</u>	<u>40,061</u>
		<u><u>363,733</u></u>	<u><u>351,996</u></u>

8 Provision for Employees' Benefits

The Foundation in Palestine provides for its employees' severance pay according to the prevailing labour law and it contributes to the employees' provident fund.

	2010	2009
	£	£
Provision brought forward	540,372	316,326
Net movement in the year	<u>50,834</u>	<u>224,046</u>
Provision carried forward	<u><u>591,206</u></u>	<u><u>540,372</u></u>

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.

Furthermore, during the year, a donation of £1,000 was received for the Edward Said Lecture. By the year end date, this amount had not been spent.

10 Analysis of Net Assets between Funds

	Unrestricted	Restricted	2010	2009
	£	£	Total	Total
			£	£
Fixed assets	6,383	3,426,757	3,433,143	3,462,716
Net current assets	156,390	592,663	749,051	768,577
Liabilities: Due after more than one year	<u>-</u>	<u>(591,206)</u>	<u>(591,206)</u>	<u>(540,372)</u>
	<u><u>162,773</u></u>	<u><u>3,428,214</u></u>	<u><u>3,590,987</u></u>	<u><u>3,690,920</u></u>

The A. M. Qattan Foundation
Detailed Income and Expenditure Account
For the year ended 31 March 2010

The A. M. Qattan Foundation - UK

	2010	2010	2009	2009
	£	£	£	£
Income				
Donations receivable		102,000		-
Investment income		299		6,950
The Mosaic Rooms		77,875		7,140
Other income		<u>1,470</u>		<u>-</u>
		181,644		14,090
Expenditure				
Office staff salary/NIC	61,854		38,992	
Donations	12,232		11,190	
Audit and accountancy	5,114		5,300	
Rent and service charges	-		38,805	
The Mosaic Rooms	58,926		8,984	
Rates	-		1,428	
Telephone	4,950		2,537	
General office costs	11,989		22,276	
Repairs and maintenance	4,589		4,923	
Bank charges and interest	754		333	
Stationery	2,515		3,605	
Premises and general insurance	3,094		2,029	
Couriers	1,685		1,558	
Depreciation:				
Furniture and fittings	1,159		1,032	
Office equipment	1,453		2,844	
Travel	604		2,862	
Subscriptions	30		30	
Translation fees	621		359	
		<u>171,569</u>		<u>149,087</u>
Operating Profit / (Loss)		<u><u>10,075</u></u>		<u><u>(134,997)</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 2010

The A. M. Qattan Foundation - Palestine

	Notes	2010 £	2010 £	2009 £	2009 £
Income					
Donations receivable			1,639,533		1,221,148
Donated land			-		1,183,353
Investment income			1,362		4,535
Other income			<u>16,456</u>		<u>7,335</u>
			1,657,351		2,416,371
Expenditure					
Donations		230,757		103,440	
Project expenses	1	1,354,587		1,332,260	
Administration salaries		102,031		108,993	
Severance pay		13,673		17,315	
Office expenses		10,710		12,281	
Professional fees		6,579		22,748	
Depreciation		25,988		22,244	
Other		8,020		9,611	
Accommodation and travel		7,825		18,818	
Unrealised gain on transactions of (Loss) / Gain on foreign exchange		<u>11,503</u>		<u>(218,583)</u>	
			<u>1,771,673</u>		<u>1,429,127</u>
Operating (Loss)/Profit			<u><u>(114,322)</u></u>		<u><u>987,244</u></u>

Note 1

Project Expenses

Employees' benefits	638,425	621,093
Office expenses	220,625	186,738
Workshop and training	4,416	3,779
Professional fees	19,498	26,239
Audiovisual equipment	26,040	28,513
Translation	-	-
Transportation	3,663	1,457
Project activity expenditure	94,249	72,610
Project related conferences and seminars	109,389	133,427
Depreciation	182,395	210,459
Accommodation and travel	5,805	11,814
Other	<u>50,082</u>	<u>36,131</u>
	<u><u>1,354,587</u></u>	<u><u>1,332,260</u></u>

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