

ALFANAR
(Company limited by guarantee no. 5141908
registered charity no. 1105048)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

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ALFANAR

(Company limited by guarantee no 5141908, registered charity no 1105048)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

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ALFANAR

LEGAL AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2007

Trustees	Tarek Ben Halim Laila Iskander Julia Middleton Lubna Olayan
Company Secretary	Marghenta Gatt
Company reg. no.	5141908
Charity reg. no.	1105048
Registered office	18 Parkside 28-56 Knightsbridge London SW1X 7JW
Bankers	C Hoare & Co 37 Fleet Street London EC4P 4DQ
Accountants	Gotham Erskine LLP Chartered Accountants Friendly House 52 - 58 Tabernacle Street London EC2A 4NJ
Solicitors	Withers LLP 16 Old Bailey London EC4M 7EG

**BOARD OF TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007**

The Trustees, who act as the directors of the Chanty for the purposes of the Companies Act, and trustees for charity law purposes, submit the annual report and the financial statements of Alfamar for the year. The Trustees confirm that the annual report and financial statements of the Chanty comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities (revised 2005)'

Organisation, structure and change of name

Legal and administrative information as set out on page 1 forms part of this report

The Chanty is a company limited by guarantee and has dispensation from the relevant authorities to omit "Limited" from its name. The Company was incorporated on 1st June 2004 and granted charitable status on 22nd July 2004.

Aims and Objects of the Charity

The Chanty's objects are

a the advancement of education and learning for the public benefit and in particular to educate men and women and young people of all ages from a broad range of geographical, ethnic, social and economic backgrounds in the Arab World (this includes all member countries of the Arab League), to enable them to realise their full potential as individuals, within their communities and within society as a whole,

b to develop the capacity and skills of the members of socially and economically disadvantaged communities in countries in the Arab World (including all member countries of the Arab League) in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society, provided always that nothing contained herein shall authorise or be deemed to authorise the carrying on of any activity for any purposes except those regarded as charitable by the laws of England and Wales

Report of activity

In 2007 the Charity's programme grew stronger and more established. It funded a second phase of work with three partners, Wadi El Nil Association for the Protection of Quarry Workers, El Nafeza Foundation for Cultural Development, and the Information and Technology Support Project. In addition it forged partnerships with two new partners, the Helwan Association for Community Development, a women's enterprise project run on cooperative lines, and the Future Lights for Development Organisation, a model Montessori nursery setting up an outreach programme to spread best practice in early childhood development. For more information on our projects please see note 3.

We have raised increased funds in 2007, notably from the Kingdom Foundation, Shell EP International and The Ireland Fund of Great Britain. We are grateful to all our donors, who have been generous in their support.

We continue to take calculated risks in working with our existing and new partners, for example by assisting young organisations fuelled by the passion of dynamic individuals, and supporting entrepreneurial approaches to development which might solve existing entrenched problems. For example, we supported our partner Wadi El Nil Association in setting up a micro credit and vocational programme for families to enable them to find alternative employment and income rather than let their children work in hazardous conditions in the stone quarries that constitute the main source of employment for their communities.

**BOARD OF TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007**

We believe in the judgement and capability of our partner organisations and provide them with a combination of financial support, advice and expertise to achieve their development aims. Our support includes, for example, sourcing business planning, technical and marketing assistance for our partners.

Having spent the last two years developing our approach and learning about what may be effective from a grassroots perspective, we are now ready for growth. We appointed a chief executive, Siham Bortcosh, and are now working on our plans for the next two or three years, during which we expect to build on our progress so far and expand our activities. Plans for the future include:

- Expanding into other countries. Possibilities include Morocco, in which we have already conducted preliminary feasibility work, and Lebanon.
- Developing further our methodology for delivering non-funding support to our partners, and widening our access to resources and expertise for this.
- Tapping into and channelling the support, goodwill, skills and expertise of the Arab diaspora and other supporters to promote positive change in the Arab world.
- Diversifying our fundraising to support our expansion.
- Developing our business plan.

Reserves policy

The Trustees consider the Charity's free reserves of £5,194 are sufficient to meet immediate needs. The Board will review this level as the Charity expands its activities.

Risk management policy

The risks facing the Charity are primarily associated with the establishment and operation of the Egypt branch. The rigorous selection of projects supported by the Charity is designed to mitigate these risks. The Charity intends to expand its operations and appointed a Chief Executive following the year end to ensure that sufficient management resource is deployed to identifying and mitigating the associated risks.

Statement of Trustees' responsibilities

The Board of Trustees is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and charity law applicable to charities in England and Wales requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that period. In preparing those financial statements the Board of Trustees have:

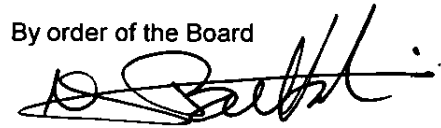
- selected suitable accounting policies and applied them consistently,
- made judgements and estimates that are reasonable and prudent,
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the Charity will continue in operation).

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**BOARD OF TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007**

The Board of Trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

By order of the Board

X 

Tarek Ben Halim

Trustee

Date 11 July 2008

Reporting accountants' report to the members on the unaudited accounts of Alfanar

We report on the financial statements for the year ended 31 December 2007 set out on pages 6 to 11

Respective responsibilities of Board of Trustees and reporting accountants

As described on page 4, the Board of Trustees, which is the board of directors of Alfanar for the purposes of company law, is responsible for the preparation of the financial statements, and considers that the Company is exempt from the requirements for an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion

- (a) the financial statements for the year ended 31 December 2007 are in agreement with the accounting records kept by the Company under section 221 of the Companies Act 1985,
- (b) having regard only to, and on the basis of, the information contained in those accounting records
 - i the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act, and
 - ii the Company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act as modified by section 249A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1)

Gotham Erskine LLP

Gotham Erskine LLP
Chartered Accountants
Friendly House
52 - 58 Tabernacle Street
London EC2A 4NJ

Date *8 Sept 2008*

ALFANAR (company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account & Statement of Total Realised Gains and Losses)
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Gift in kind	12	24,130		24,130	26,847
Voluntary income	2	105,298	73,286	178,584	68,064
Bank interest receivable	6	442	-	442	191
TOTAL INCOMING RESOURCES		129,870	73,286	203,156	95,102
RESOURCES EXPENDED					
Charitable activities					
Donations to projects	3	67,183	24,415	91,598	55,874
Other charitable expenditure	4	62,606	-	62,606	66,692
Accountants' fees - annual accounts		1,692	-	1,692	1,410
TOTAL RESOURCES EXPENDED		131,481	24,415	155,896	123,976
Net income/(expenditure) before transfer		(1,611)	48,871	47,260	(28,874)
TOTAL FUNDS AT 1 JANUARY 2007		6,805	-	6,805	35,679
TOTAL FUNDS AT 31 DECEMBER 2007		£ 5,194	£ 48,871	£ 54,065	£ 6,805

The annexed notes form part of these financial statements

ALFANAR

BALANCE SHEET AS AT 31 DECEMBER 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	7	397	529
CURRENT ASSETS			
Debtors	8	5,040	-
Cash at bank and in hand		<u>50,997</u>	<u>11,250</u>
		56,037	11,250
CREDITORS amounts falling due within one year	9	(2,369)	(4,974)
NET CURRENT ASSETS		53,668	6,276
NET ASSETS		<u>£ 54,065</u>	<u>£ 6,805</u>
FUNDS			
Restricted funds	10	48,871	-
Unrestricted funds			
General fund	10	5,194	6,805
		<u>£ 54,065</u>	<u>£ 6,805</u>

The Trustees are satisfied that the Company is entitled to exemption under Section 249A(1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) of the Act

The Trustees acknowledge their responsibilities for

- (i) ensuring that the company keeps proper accounting records which comply with Section 221 of the Companies Act 1985, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company

The financial statements have been prepared in accordance with the provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective January 2007) They were approved and authorised for issue by the Board of Trustees on 11 July 2008 and signed on its behalf by -



TAREK BEN HALIM, Trustee

The annexed notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, the Charities SORP (Statement of Recommended Practice "Accounting and Reporting by Charities (revised 2005)") and the Financial Reporting Standard for Smaller Entities (effective January 2007)

The effects of events relating to the period ended 31 December 2007 which occurred before the date of approval of the financial statements by the Board of Trustees has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 December 2007 and the results for the period ended on that date

Company status

Alfanar is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes. All the income in the year was unrestricted.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Gift Aid is included on date of receipt.

Resources Expended

All expenditure is accounted for on an accruals basis.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets over their estimated useful lives on the following rates:

Office equipment	-	25% of net book value
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All assets costing more than £250 are capitalised

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

2. VOLUNTARY INCOME - DONATIONS	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Tarek Ben Halim	52,963	-	52,963	37,000
Tarek Ben Halim - Gifts in kind	24,130	-	24,130	26,847
Shell EP International	25,394	-	25,394	-
The Kingdom Foundation	-	64,527	64,527	-
Ireland Fund of Great Britain	15,300	-	15,300	-
Golden Bottle Trust	1,000	-	1,000	-
Westminster Foundation for Democracy	-	8,759	8,759	12,689
Dr Nabil Qaddumi	-	-	-	12,743
Gift aid receivable	-	-	-	522
Other donations	10,641	-	10,641	5,110
	£ 129,428	£ 73,286	£ 202,714	£ 94,911

As referred to in note 12, Tarek Ben Halim provided office costs and paid for salary and other staff costs in the year

3 PROJECT DONATIONS	2007 £	2006 £
Wadi Environmental Science Centre	-	7,171
El Nafeza Foundation for Cultural Development	13,480	19,740
Wadi El Nil Association for Protection of Quarry Workers	15,656	7,580
Information and Technology Support Project	31,463	15,847
Future Lights for Development Organisation	8,954	-
Helwan Association for Community Development	22,045	-
Mobile Opportunities Via Education (MOVE)	-	5,536
	£ 91,598	£ 55,874

The **El Nafeza Foundation for Cultural Development** undertakes a project setting up a learning centre to teach the craft of papermaking. It aims to market its products in order to raise a proportion of the funding it needs. It has also undertaken outreach activity to educate marginalised groups in papermaking.

Wadi El Nil Association for Protection of Quarry Workers is an organisation aiming to improve the working conditions of quarry workers in Minia, Egypt, by upgrading the machinery they are using as well as providing them with the appropriate clothing to protect them from the hazardous health conditions in which they work. In 2007 Alfanar supported the Association to start a pilot project providing training and employment support to 50 boys to enable them to take up employment away from the quarries. Furthermore through support from Alfanar the Association started to make credit available to 100 families of working children below the age of 14, enabling them to set up small income-generating projects which will, in turn, make them less dependent on their children for income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

The **Information and Technology Support Project** provides a new, unique service in Egypt that is increasingly relevant given the rising number of opposition and independent publications. Funding has been used to establish an organisation to carry out two main activities. The first is to set up a website that is updated daily with all information collected from the press pertaining to certain topics of public interest. The second is to provide more detailed, client-tailored research to organisations upon demand for a fee.

The **Wadi Environmental Science Centre** undertakes pilot testing of a science education programme currently provided to children from private schools, in order to provide the same service to public school children. The pilot project was well received and supported 150 school children, and the programme continued into 2007 without Alfamar support.

Mobility Opportunities Via Education (MOVE) is a programme that allows children with cerebral palsy to rely more on themselves and depend less on others to lead more productive lives. The programme is based in Cairo, Egypt, and targets health workers from both NGOs and governmental facilities nationwide. Training was carried out for a fee that enabled the organisation to cover part of its costs. Alfamar's contribution was necessary to provide the organisation the start-up funds needed to launch the training programme in Egypt and the project was completed in 2007.

The **Future Lights for Development Organisation** has established a model Montessori nursery, together with an outreach programme targeting other nurseries. Through the project, supervisors in selected nurseries have started receiving a training programme enabling all the nurseries to provide the children with a learning environment more conducive to active learning.

The **Helwan Association for Community Development's** crochet production unit, known as 'Bashayer', is a successful model of cooperative production for women. The unit provides income-generating job opportunities that have benefited over 400 women to date, and is a source of income for the organisation as a whole, whose services include the 'listening programme' for women victims of violence, literacy classes, health care, as well as cultural, social and recreational activities, all with the aim of creating a cooperative and empowering space for women. Alfamar's support has had a particular emphasis on boosting the production unit to increase women's incomes and the financial sustainability of the organisation. More than 100 women were provided with ongoing training to develop their production skills.

4 OTHER CHARITABLE EXPENDITURES

	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Staff costs	34,021	-	34,021	27,711
Office and other expenses	6,281	-	6,281	10,901
Bank charges & exchange costs	872	-	872	829
Staff training and recruitment	3,607	-	3,607	-
Secretarial support	4,058	-	4,058	4,369
Consultancy	2,363	-	2,363	9,038
Rent - Cairo office	2,923	-	2,923	2,923
Rent - London office	5,000	-	5,000	5,000
Depreciation	132	-	132	176
Legal and professional fees	3,349	-	3,349	5,745
	<u>£ 62,606</u>	<u>£ Nil</u>	<u>£ 62,606</u>	<u>£ 66,692</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

5. NET MOVEMENT IN FUNDS

The net movement in funds is stated after charging	2007	2006
	£	£
Accountants' fees - annual accounts	1,692	1,410
Accountants' fees - other	-	306
Depreciation	132	176
	<u>132</u>	<u>176</u>

6. TRUSTEES AND STAFF

	2007	2006
	£	£
Salaries of overseas staff	<u>34,021</u>	<u>27,711</u>

The Company employed 2 full time staff in the period (2006 same)
 No employee received remuneration of more than £50,000
 The Trustees received no remuneration nor the reimbursement of expenses

7. TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
At 1 January 2007 and at 31 December 2007	<u>940</u>
Depreciation	
At 1 January 2007	411
Charge for the year	<u>132</u>
At 31 December 2007	<u>543</u>
Net book value	
At 31 December 2007	<u>£ 397</u>
At 31 December 2006	<u>£ 529</u>

8. DEBTORS

	2007	2006
Due within one year	£	£
Donations due	<u>£ 5,040</u>	<u>£ Nil</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2007	2006
	£	£
Accruals	<u>2,369</u>	<u>4,974</u>

10. STATEMENT OF FUNDS	Brought Forward	Incoming Resources	Resources Expended	Carried Forward
	£	£	£	£
RESTRICTED FUNDS				
Westminster Foundation for Democracy	-	8,759	(8,759)	-
The Kingdom Foundation	-	64,527	(15,656)	48,871
	<u>£ Nil</u>	<u>£ 73,286</u>	<u>£ (24,415)</u>	<u>£ 48,871</u>
SUMMARY OF FUNDS				
General Funds	6,805	129,870	(131,481)	5,194
Restricted Funds	-	73,286	(24,415)	48,871
	<u>£ 6,805</u>	<u>£ 203,156</u>	<u>£ (155,896)</u>	<u>£ 54,065</u>

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds	Restricted Funds	Total Funds	Total Funds
	2007	2007	2007	2006
	£	£	£	£
Tangible fixed assets	397	-	397	529
Current assets	7,166	48,871	56,037	11,250
Creditors due within one year	(2,369)	-	(2,369)	(4,974)
	<u>£ 5,194</u>	<u>£ 48,871</u>	<u>£ 54,065</u>	<u>£ 6,805</u>

12. RELATED PARTIES

Mr Tarek Ben Halim, a Trustee of the Chanty, paid £24,130 (2006 £26,847) for staff costs, Cairo office expenses, secretarial support costs and US legal fees