



PACES

Palestine Association for Children's
Encouragement of Sports

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realizing potential

"For Palestinian children, the ability to exercise and play should be a commonplace, ordinary right."

Helping Palestinian Children Realize Their Potential

Palestine has a total population of 3,761,646 of whom 50% are children¹ : of those 953,950 are girls and 996,789 boys² . Recent statistics also show that the proportion of individuals under the age of 15 has risen to 45% of the total populace and over 34% live below the poverty line.

A more important statistic and probably the most relevant to our work at PACES is that only 52.2% of Palestinian families feel they can provide a safe environment for their children.

For Palestinian children, the ability to exercise and play should be a commonplace, ordinary right that is critical to the physical and mental development of the children. Today, we find that more than 93% of children in Palestine have no access to safe recreation areas where they can exercise, play and have some refuge from the harsh realities that surround them.

In response to these circumstances, the Palestinian Association for Children's Encouragement of Sports - PACES - was founded in June of 2006 with the central aim of providing sports programs for Palestinian girls and boys. PACES recognizes the importance that sports play in the development and education of children and it therefore creates sanctuaries that are healthy, and fun and that provide an opportunity for children to excel in an area long-ignored by our culture.

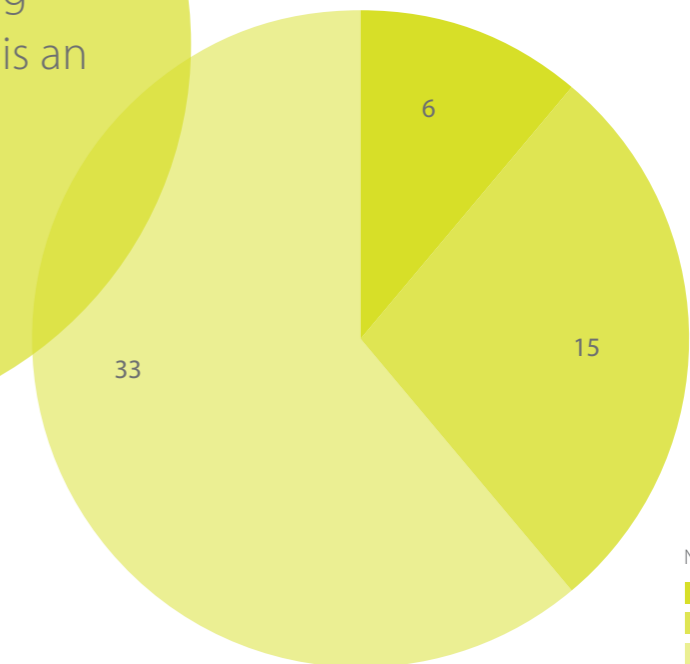
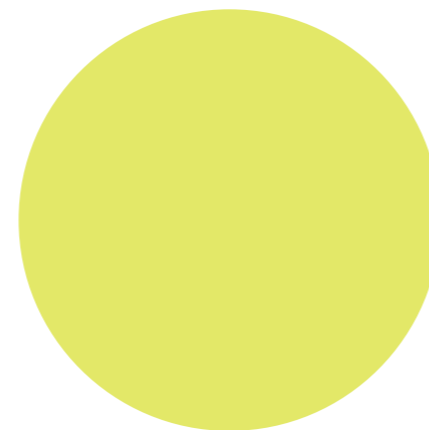
PACES' starting points were the football pitches and the basketball courts from which we launched our first programs in November of 2006. These initial programs provided activities for over 400 children at six locations in the Jerusalem, Bethlehem and Ramallah areas.

One of the most important indicators to our success is the extent by which our programs have grown in their first two years; we now have over 3400 children in our programs, well above our original target of 1,500 by year 5. Our programs are now running in 33 centers across Palestine; ranging from Jenin in the north to Gaza in the south.

Palestinian girls, in particular, have not had equal access to sports activities and programs due to social and cultural factors. PACES offers equal opportunities to young girls as gender equity is an important part of our philosophy and a central consideration in the development of all aspects of our work. We take into account girls' needs and we approach the issue with great sensitivity and respect for tradition and culture. PACES is particularly proud of having achieved and sustained a 50% participation rate for girls in all of its programs. This was no easy achievement; in some areas we had to go house to house, begging parents to enroll their daughters in our programs.



"We offer equal opportunities to young girls as gender equity is an important part of the PACES' philosophy"



Number of centers
 2006
 2007
 2008

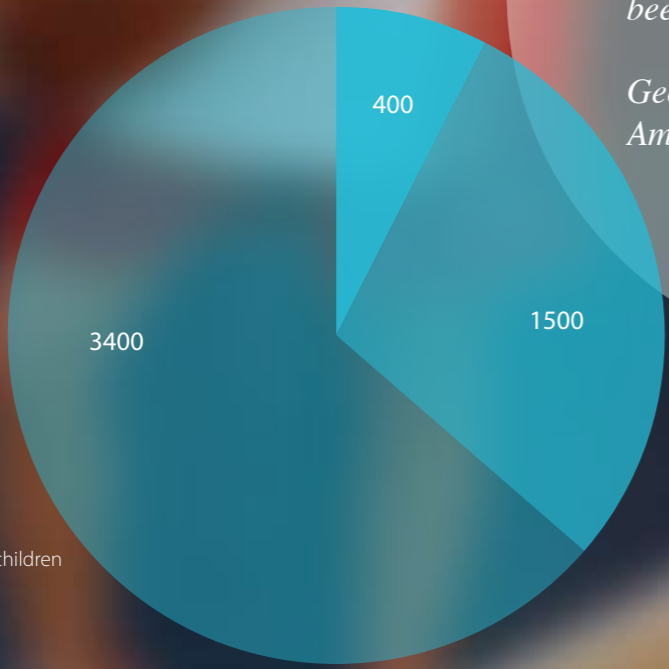
¹The United Nations Convention on the Rights of the Child defines a child as "every human being below the age of 18 years unless under the law applicable to the child, majority is attained earlier."

²The total population below the age of 18 is 1,950,739.



'Where I was born and where and how I have lived is unimportant. It is what I have done with where I have been that should be of interest.'

*Georgia O'Keeffe
American Painter, 1887-1986*



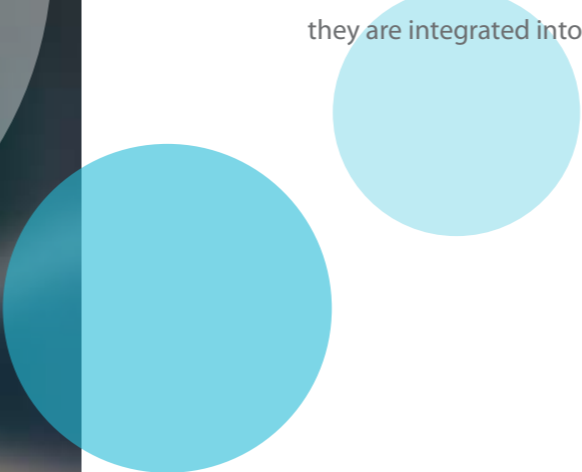
Number of children

- 2006
- 2007
- 2008

Providing Hope, Developing Talents

From the day we started our programs, we have been working on providing children with the knowledge and tools necessary to recognize that they must be responsible individuals in their own communities. PACES therefore believes that all children, whether or not they have athletic talents, should have an equal right to be part of its programs and activities. To that end, and in order to reach the most vulnerable children, PACES programs are concentrated in clusters around the most marginalized communities and refugee camps across Palestine.

In addition, PACES has created programs for children who can't physically be at the sports' venues due to an illness . For example, at the Augusta Victoria Hospital, East Jerusalem, we now have a program that provides hospitalized children with less intensive activities under physician supervision. These programs demonstrate to children that illness is not a limitation to their participation in our programs. By providing them with the opportunity to play, enjoy their childhood, and be part of PACES programs just like other children, PACES believes that this program will help these children overcome their illnesses, while increasing their self-esteem. Once the children leave the hospital, they are integrated into existing local clubs and teams.



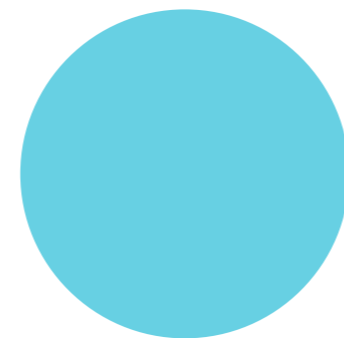


Norway Cup 2008

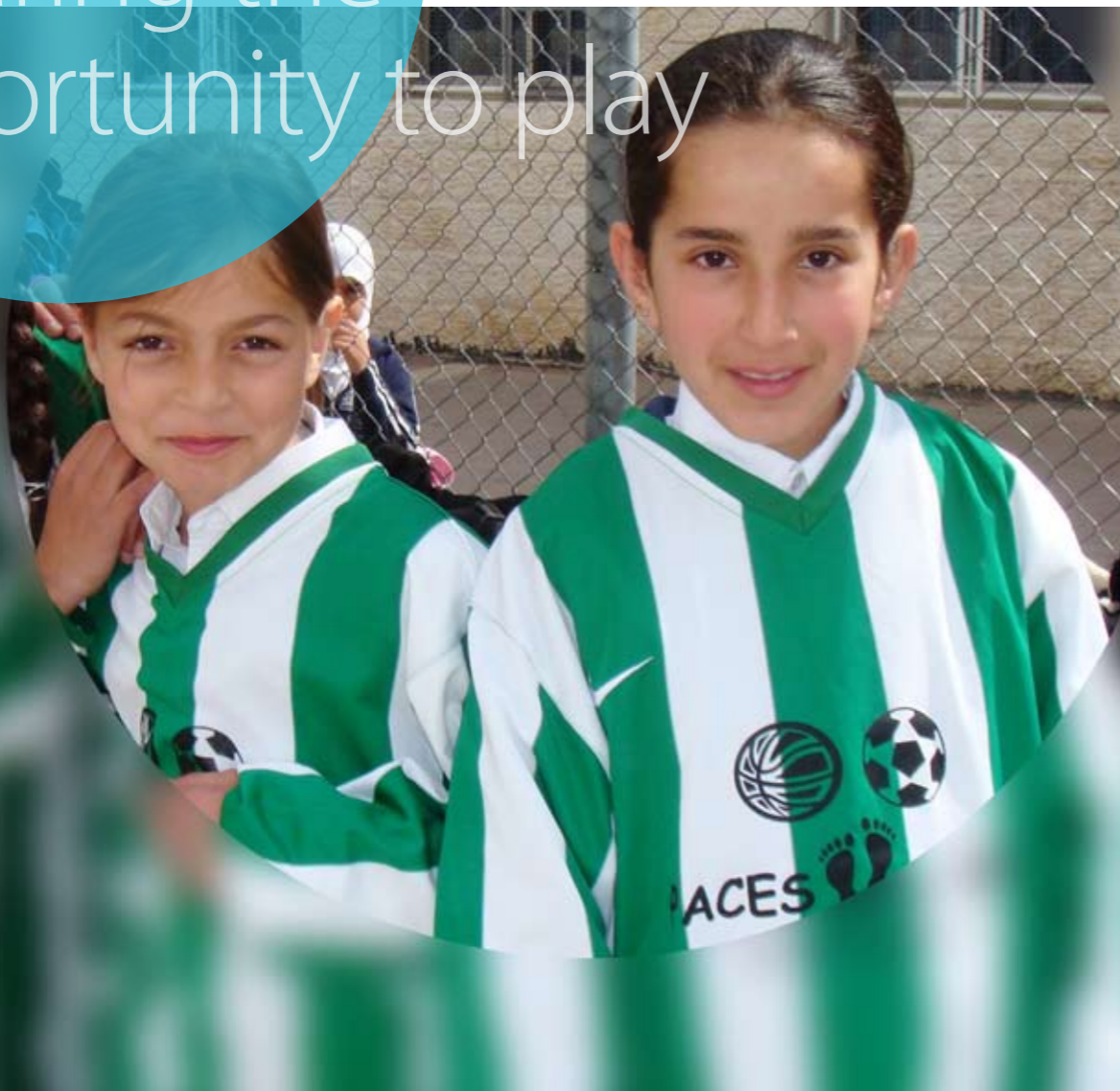
In August 2008, PACES sent two under-14 teams, one of boys and one of girls to the Norway Cup. The Norway Cup is billed as the world's biggest youth football tournament with 1,386 teams from 50 countries participating in 2008.

The PACES teams' performances and achievements were truly special: our girls' team made it to the quarter finals and lost 2-1 to the eventual winners of their age group, while the boys won seven games in a row before losing in the final. The behaviour of our girls and boys, both on and off the field, was recognized by the Norwegian organizers as exemplary.

But the tournament was not just about football: we took the children to the campus of Oslo University, on museum tours, and to cultural events providing some fun "down time" for them. This is in keeping with our goal to broaden our children's horizons, and to deepen their knowledge and appreciation of other cultures.



ensuring the
opportunity to play



Under -10 Basketball Championship in Italy 2007 and 2008

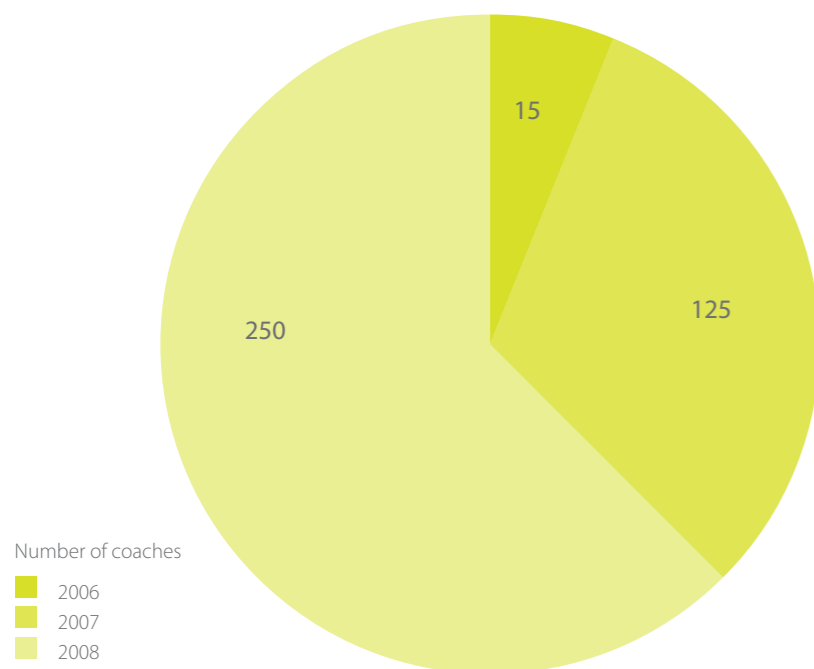
Every summer no less than 64 teams converge on Matera, Italy, to participate in the annual "Minibasket in Piazza" tournament organized by the Pielle Matera Associazione Polisportiva Dilettantistica, which is sponsored in part by UNICEF. In 2007 PACES fielded a boys' team and in 2008 fielded a mixed team of 5 girls and 5 boys.

The tournament organizers recognized PACES' work in bringing a Palestinian team to Italy and lauded our efforts to encourage and support sports in Palestine. PACES was given an award by UNICEF in 2007 for ensuring that Palestinian children have the right to play sports.

Creating Role Models

PACES realizes that the most important single influence in the life of a person is another person, and thus nothing is more important to us than ensuring that our children have the best role models in their lives.

To that end, PACES has developed and implemented a strict code of conduct by which all employees and coaches must abide. For example, not only is smoking strictly prohibited in front of the children, but employees who smoke must not have a cigarette pack visible in their pockets while conducting training sessions or classes. PACES has a zero tolerance policy for any behaviour that may harm the children or infringe on their rights.



"PACES has developed and implemented a strict code of conduct by which all employees and coaches must abide."



"PACES took the coaching clinics to a new level: by launching the Mobile Coaching Clinics..."

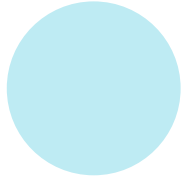
Capacity Building

PACES believes that the root of true achievement lies in the will to become the best that one can be. Since its inception, PACES has helped coaches improve their skills through training clinics. In 2008 PACES took the coaching clinics to a new level when it launched the Mobile Coaching Clinics.

As part of our long-term vision, we have established mobile coaching clinics for football and basketball, each of which is run by a highly qualified FIFA and FIBA accredited coaches. The clinics move from town-to-town and center-to-center teaching local coaches how to improve their skills to become better mentors, teachers and leaders. Through these clinics, the head instructors also ensure that our coaches fully understand and adhere to PACES policies and our strict codes of conduct.

Fighting Poverty – Offering Employment Opportunities

The rate of unemployment for males and females in Palestine is 27% and 28% respectively. PACES has long realized the devastating consequences this has had on the development of the communities it works in and it is a key reason PACES provides employment for over 250 coaches and assistant coaches at different centers.



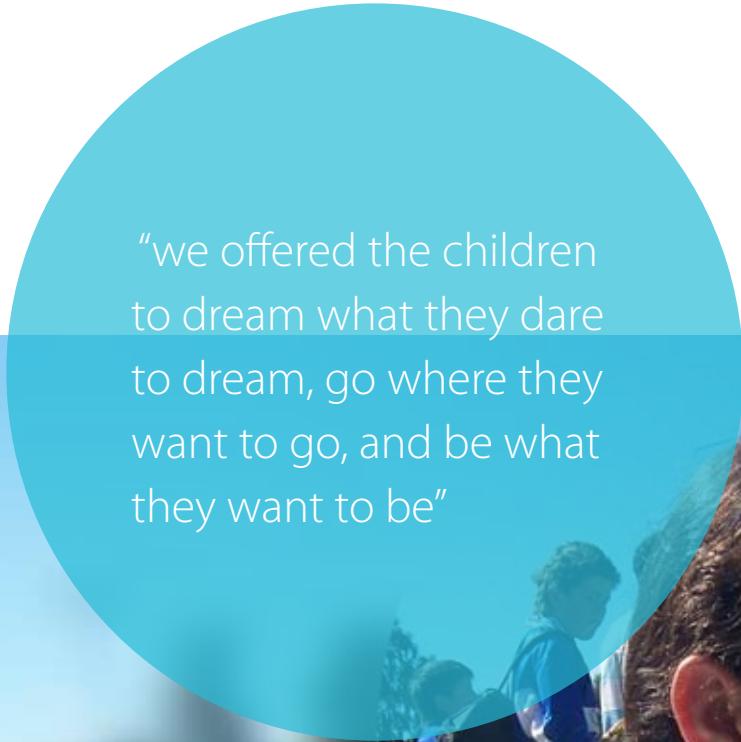
Broadening Horizons – Innovative Partnerships

PACES believes that the greatest reward for its work is the opportunity to do more. That is why we have focused on integrating other aspects and opportunities into our programs. PACES has incorporated education and awareness-raising into its projects as a methodology to improve the quality of the children's lives and to sustain these beneficial changes over the long term.

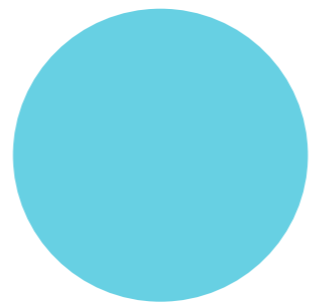
PACES is working with 'Defence for Children International' to raise children's awareness of their rights as individuals and with Augusta Victoria Hospital to increase the level of their psychological and physical health through health awareness sessions.

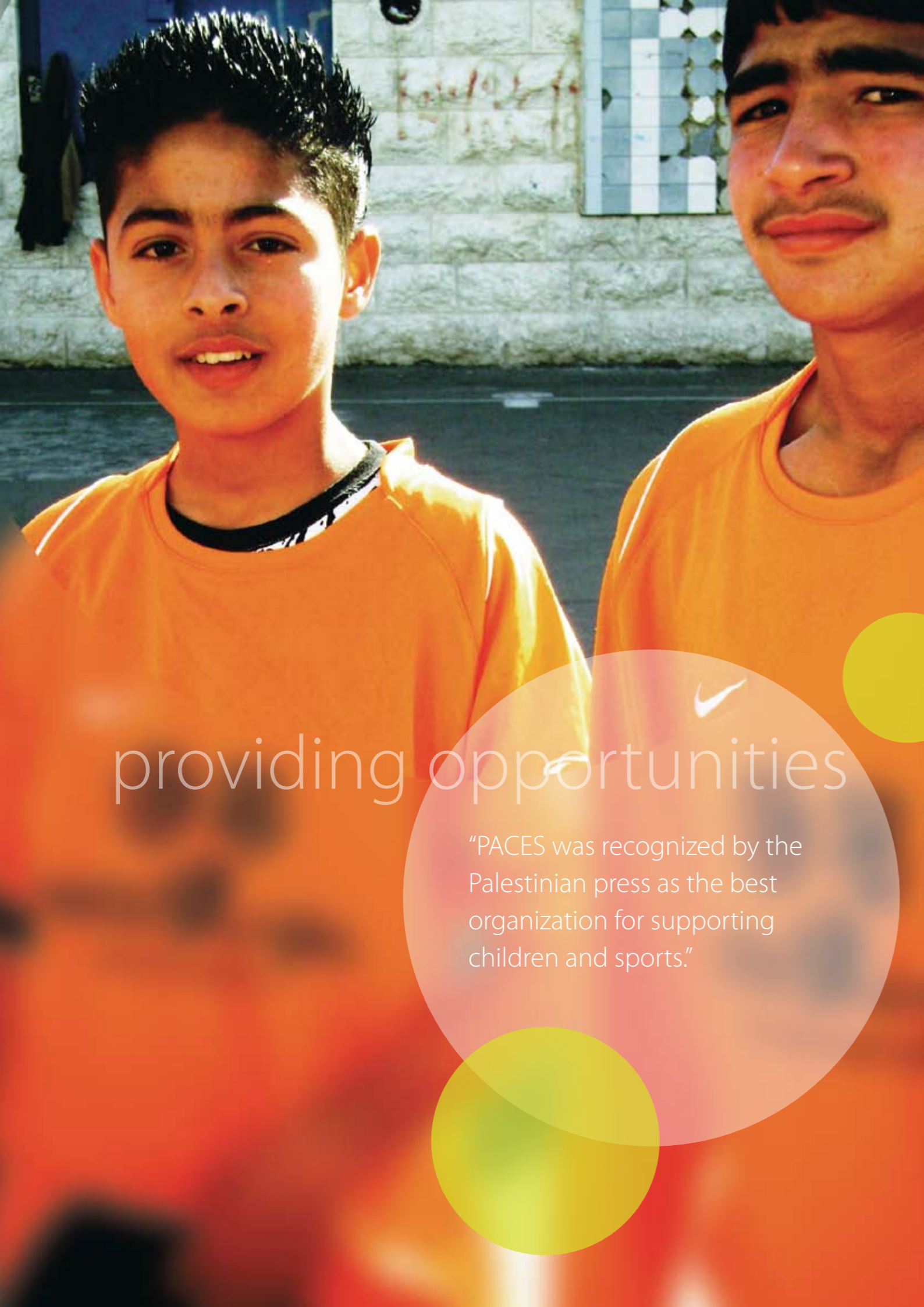
In order to fulfill our vision of developing children's personalities in a safe sanctuary and of broadening their horizons. PACES is giving children the opportunity to dream about their future. In 2008, PACES and INJAZ implemented a career counseling project for older children in three locations - Hebron, East Jerusalem and Ramallah.

PACES has teamed up with AMIDEAST to provide English language courses to our children and to all PACES staff. This capacity building project will provide our coaching staff with a valuable, marketable skill and will increase our children's opportunities in the future.



"we offered the children to dream what they dare to dream, go where they want to go, and be what they want to be"





providing opportunities

"PACES was recognized by the Palestinian press as the best organization for supporting children and sports."

Awards

In its first two years, PACES received several awards and gained acknowledgement for its role in supporting children and encouraging sports and change in Palestine. In January 2007, less than three months after starting its first programs, PACES was recognized by the Palestinian press as the best organization for supporting children and sports. PACES won the same award again in 2008 and was referred to as 'the only candle in the darkness of the night in Palestine.

In June 2007, PACES won an award for its support of Palestinian children's sports activities at the "Minibasket in Piazza" tournament, a UNICEF sponsored basketball tournament in Italy.

In February 2008, PACES was voted one of 16 finalists, from almost 400 entries from around the world, in the Change Makers "Sports for a Better World" competition for NGOs that effect change in their communities through the use of sports. PACES' financial stability so soon after its founding, its innovative approach its and development of inclusive programs were cited by several of the judges as key reasons for which PACES made the a finalist list.

Press Coverage

Following are a few examples the press coverage that reflects PACES' achievements over the past two years. PACES was also widely covered in local newspapers such as 'Alquds'

Financial Times PACES: Getting Girls Out and About

By Tobias Buck , June 2, 2008 , FT.com

Palestinian girls living in Hebron, a city in the occupied West Bank that has a reputation for conservatism, normally have few places to socialize outside their homes.

One exception is Hebron's first and only girls' basketball club, where a team of young players is coached several times a week for free. The girls go about their practice sessions clad in traditional headscarves – and boasting brand new kits of sports gear provided by Nike, the US group.

The team was founded with the help – and even the insistence – of Paces, a charity dedicated to improving the lives of Palestinian children through sport.

Founded two years ago by the Kuwait-born, London-based Palestinian Hani Qattan, the organisation has grown rapidly. "We launched our first projects in November 2006. We started

with five clubs and about 400 children," says Maria Ardaji, Paces' country director for Palestine. In the school year that is about to come to an end, Paces supported 1,500 children in 31 sports clubs, including four clubs in the embattled Gaza Strip. From August onward, Paces will support 3,000 children, and Ms Ardaji expects that number to double again in 2009.

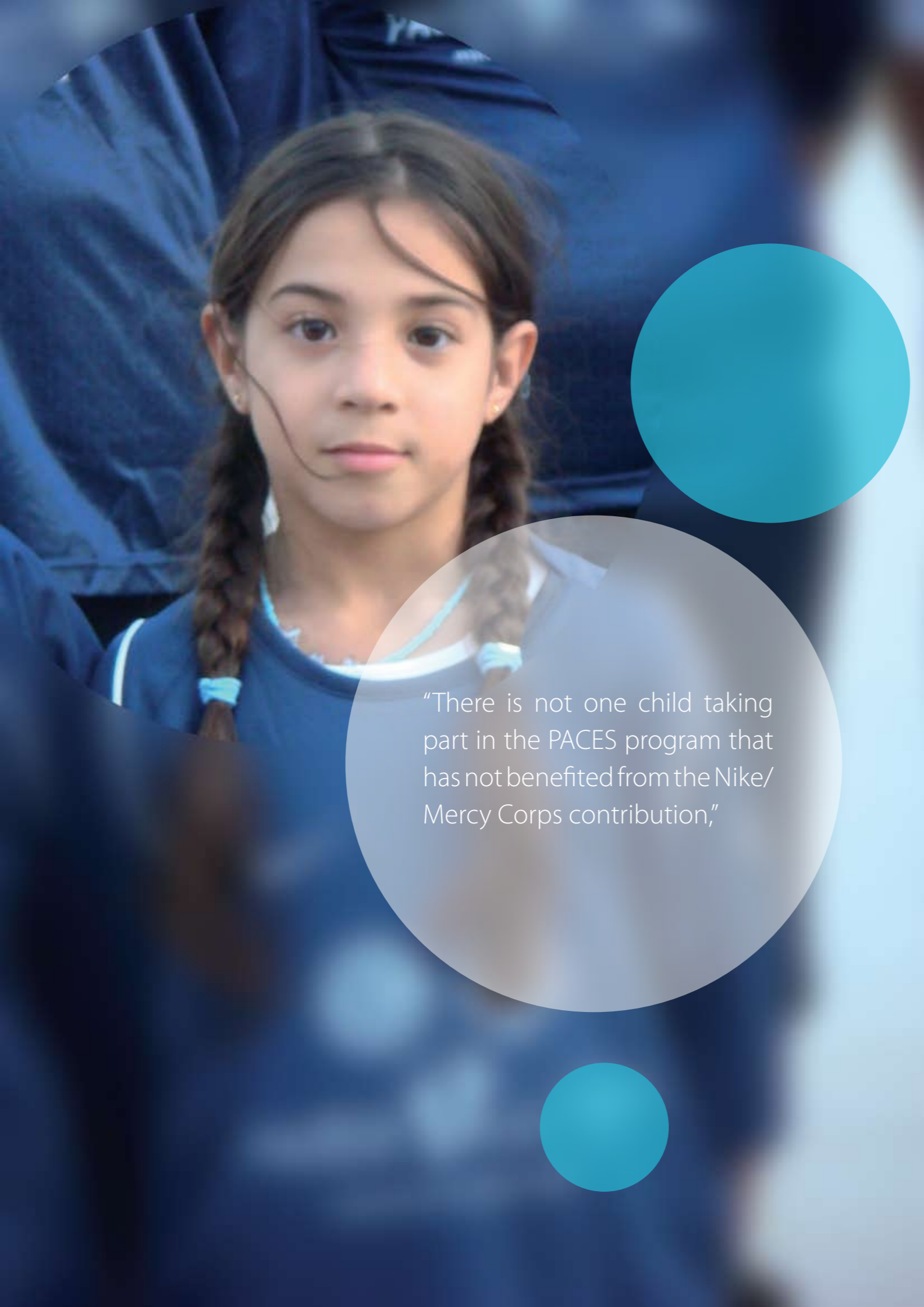
"The idea is to get as many kids as we can off the streets and away from violence and extremism and give them something constructive and positive to do. We want to give them better opportunities for the future," explains Ms Ardaji.

Paces works according to a simple plan: the charity offers to pay and train Palestinian basketball and football coaches, while its partnership with Nike ensures that all children participating in the scheme get kitted out with shirts, shorts, shoes (and two pairs of Nike socks each). The clubs have to ensure that the children have practice at least twice a week for two hours, though in reality most provide more training than the minimum required.

The money provided by Paces – about \$33,000 a month this year and double that next year – is evenly divided between supporting boys and girls. An important condition for financing

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“There is not one child taking part in the PACES program that has not benefited from the Nike/Mercy Corps contribution,”

is that the sports clubs are not affiliated with any political group.

Poverty and continuing instability in the territories mean children there have few of the opportunities that are normal in most western countries. Tradition and social conservatism make it especially hard for many girls to go out and enjoy themselves.

Mr. Qattan describes the group’s mission like this: “We get the boys off the streets and the girls out of their houses.”

And while they are out there, Paces also tries to teach the children skills and values that transcend sport. In partnership with another charity, it holds sessions at the sports clubs that deal with children’s rights and gender equality, health and hygiene and – for older teenagers – even on how to start a business and deal with money. “So many kids here are deprived of their childhood. This is about getting kids to do something constructive,” says Ms Ardaji.

Nike Web Site

Palestine Sports Program - Nike Product Helps Kids Play

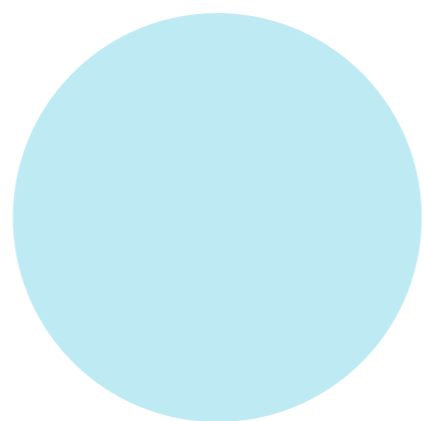
As part of Nike’s Let Me Play programming and our commitment to provide access to sports for children around the globe, we have worked with Mercy Corps to donate Nike product to the Palestinian organization, PACES. According

to their website (www.pacescharity.org) PACES, which stands for Palestine Association for Children’s Encouragement of Sports, was founded in June of 2006 with the central aim of providing sports programs to Palestinian girls and boys as a means of getting them off the streets and away from violence.

In 2007, Nike and Mercy Corps, another key Nike partner, worked together to secure a product donation for PACES. The package, valued at more than \$400,000, went to support 16 PACES sport clubs and community centers throughout much of Palestine. The contribution of equipment and uniforms helped provide kids with access to sports, part of Nike, Mercy Corps and PACES’ mission.

“There is not one child taking part in the PACES program that has not benefited from the Nike/Mercy Corps contribution,” said Hani Qattan, Chairman of the Board of Trustees for PACES. “Thanks mainly to the donated material from Nike/Mercy Corps and the rapid expansion of our donor-base, we were able to provide programs for many more children this year.”

In the future, PACES hopes to expand its program base and its accessibility by setting up programs in more cities. The organization cites Nike and Mercy Corps’ participation as key factors in PACES exponential growth. Just two years ago when it was created, PACES set out to support about 700 kids. In 2008 alone, more than 1,500 youth have been helped and given the opportunity to play sports through the organization.



PACES is Growing!

In the future, PACES hopes to expand its program base. We plan to target an increased number of marginalized communities and provide sports programs to more girls and boys. We are in the final stages of planning our 2009 programs for 5,500 children and look forward to continued expansion in the years to come.

We will participate in the "Norway Cup 2009" with four teams, (two girls' teams and two boys' teams), for a total of 40 children, as well as a similar basketball tournament in the summer of 2009.

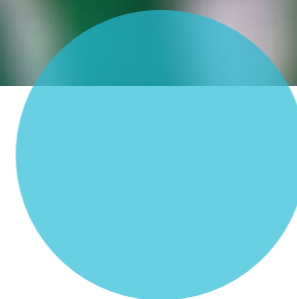
Jordan and Lebanon

PACES has created a partnership with the Lothan Youth Achievement Centre to pilot a PACES program for 60 children in Amman, Jordan. The Al Wehdat club's players are providing their expertise to coach the children involved in the project, while Nike is contributing equipment and uniforms.

In Lebanon our partnership with Mercy Corps is further strengthened by the initiation of PACES' first programs in the Nahr Al Bared refugee camp where 40 children participate in regular activities.

We plan to increase the number of children involved in our Lebanon and Jordan programs substantially in the near future.

"Great things are not done by impulse, but by a series of small things brought together."



“During the previous year, PACES further developed on its relationships with other local and international NGOs.”



Partners

Our main partners for the children's sports activities in 2008 were NIKE and MercyCorps. Through a three-way agreement between PACES and NIKE/MercyCorps we received a material aid donation in 2007 that provided all the uniforms and equipment needed for all 3,400 children and 250 coaches in our programs. This substantial donation was worth \$700,000. Furthermore, under a similar agreement PACES received all the uniforms needed by the coaches and the children for the mini-basketball tournament in Italy and the football tournament in Norway.

The special relationship that exists between PACES and NIKE/MercyCorps is part of a three-year commitment through which PACES received and will continue to receive uniforms and equipment for 3,400 children in 2008, 5,500 children in 2009, and up to 7,500 children in 2010.

PACES also enjoys a special and growing relationship with The Trafigura Foundation through whose generosity we received funding for several months of coaching requirements. Furthermore, Trafigura fully funded the costs of all the teams that traveled to Italy and Norway in 2008 and will do so again in 2009.

Additionally, PACES was fortunate enough to have received funding from Abraaj Capital for two months worth of coaching requirements. In addition to Abraaj Capital, our new corporate supporters this year were the Olayan Group, Deutsche Bank, HSBC, Bank of Palestine PLC, The Linbury Trust, ATICO, Arabia Insurance Company, Brewin Leighton Painsler LLP, and The Foundation for International Education.

Furthermore, over the past two years we have built relationships with many other corporate entities in Palestine and elsewhere. These relationships continue to grow and include the CCC, the British Government (which doubled its 2008 contribution), Aramex, Optimiza, the Pontifical Mission, Sager Family Foundation, UNIPAL, PADICO, Barclays Capital, Hikma Pharmaceuticals, National Beverage Company of Palestine, Shehadeh Law Firm, Birzeit Pharmaceutical Supply Co., Al-Quds Bank, and EuropeArab Bank.

During the past year, PACES further developed its relationships with other local and international NGOs. We are proud to have forged joint programs and developed partnerships with the following: INJAZ, DCI, CRS, ANERA, OXFAM and AMIDEAST.

Trustees

Hani Qattan *Chairman*
Sari Anabtawi *Trustee*
Dr. Mamdouh Barakat *Trustee*

Advisory Board

Bahrain: Timothy Mattar

Dubai: Isam Dahmash, Amjad Habbas,
Rami Malhas

Ireland: William Jude McGrath

Jordan: Ali Al Husry , Marwan Atalla,
Bassam Kanaan, Hazem Malhas,
Samir Murad, Ghassan Nuqul, Sharif Zu'bi

Palestine: Ali Aggad, Khaled Anabtawi,
Raheek Rinawi,, Dr. Kareem Shehadeh

United Kingdom: Amjad Bseisu, Wael Khoury

United States: Sabi Kanaan,
Prof. Safwan Masri, Ahmad Zuaiter

PACES

Palestine Association for Children's Encouragement of Sports
(A company limited by guarantee)

Charity No. 1117085
Company No. 5840150

Summarised Financial Statements

For the year ended
31 December 2008

PACES
Palestine Association for Children's Encouragement of Sports

Summarised financial statements
As at 31 December 2007

	2008 \$	2007 \$	2006 Re-stated \$
Current Assets			
Debtors	-	-	460
Cash at bank in hand	409,744	176,402	42,836
	<u>409,744</u>	<u>176,402</u>	<u>43,296</u>
Creditors: Amounts falling due within one year	<u>(18,542)</u>	<u>(15,030)</u>	<u>(16,515)</u>
Net Current Assets	<u>391,202</u>	<u>161,372</u>	<u>26,781</u>
Total Assets less Current Liabilities	<u><u>391,202</u></u>	<u><u>161,372</u></u>	<u><u>26,781</u></u>
Funds Balances			
Unrestricted Funds	<u>391,202</u>	<u>161,372</u>	<u>26,781</u>
	<u><u>391,202</u></u>	<u><u>161,372</u></u>	<u><u>26,781</u></u>

PACES
Palestine Association for Children's Encouragement of Sports

Summarised Statement of Financial Activities
For the year ended 31 December 2008

	Year to 31 December 2008 \$	Year to 31 December 2007 \$	Period to 31 December 2006 Re-stated \$
Income			
Voluntary income	1,626,833	831,454	97,373
Expenses			
Charitable activities			
Direct sport activities	(1,247,376)	(600,640)	(22,489)
Project coordinator's salary and other expenses in Palestine	(113,933)	(66,732)	(28,077)
Foreign exchange translation	(17,951)	(5,880)	-
Accountancy fee	(3,710)	(2,352)	(2,253)
	<u>(1,382,970)</u>	<u>(675,604)</u>	<u>(52,820)</u>
Governance costs			
Legal costs of running the charity	(8,467)	(15,378)	(15,519)
Audit fee	(5,566)	(5,881)	(2,253)
	<u>(14,033)</u>	<u>(21,259)</u>	<u>(17,772)</u>
	<u>(1,397,003)</u>	<u>(696,863)</u>	<u>(70,592)</u>
Net movement in funds	<u>229,830</u>	<u>134,591</u>	<u>26,781</u>
Total funds brought forward	<u>161,372</u>	<u>26,781</u>	<u>-</u>
Total funds carried forward	<u><u>391,202</u></u>	<u><u>161,372</u></u>	<u><u>26,781</u></u>

PACES

Palestine Association for Children's Encouragement of Sports

The Statement of Financial Activities and Balance Sheet are not the full accounts but the summary of the information that appears in the full accounts. The Statement of Financial Activities has been translated into US Dollars from UK Sterling at the average rate for the period, and the balance sheet has been translated at the closing rate. The full accounts have been audited and given an unqualified opinion. The full accounts were approved in 11 February 2009. Copies of the full accounts have been submitted to the Charity Commission and Registrar of Companies.

These summarised accounts may not contain sufficient information to allow for a full understanding of the financial affairs of the Company. For further information the full annual accounts, including the auditor's report, which can be obtained from the Company's offices, should be consulted.

H.A.H. Al Qattan



Trustee

Independent Auditors' statement to the Trustees of the Palestine Association for Children's Encouragement of Sports

We have examined the summarised financial statements of the Palestine Association for Children's Encouragement of Sports.

Respective responsibilities of trustees and auditors

The trustees are responsible for preparing the summarised financial statements in accordance with the recommendations of the charities SORP.

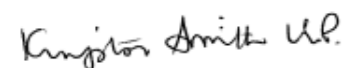
Our responsibility is to report to you our opinion on the consistency of the summarised financial statements with the full financial statements and Trustees' Annual Report. We also read the other information contained in the summarised annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summarised statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 "The auditors' statement on the summary financial statements issued by the Auditing Practices Board for use in the United Kingdom".

Opinion

In our opinion the summarised financial statements are consistent with the full financial statements and the Trustees' Annual Report of the Palestine Association for Children's Encouragement of Sports for the year ended 31 December 2007.



Kingston Smith LLP
Chartered Accountants and Registered Auditors
Devonshire House
60 Goswell Road
London EC1M 7AD



PACES  خطوات

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