REGISTERED COMPANY NUMBER: SC242506 (Scotland)
REGISTERED CHARITY NUMBER: SC033983

Report of the Trustees and

Unaudited Financial Statements for the Year Ended 31st December 2025

for

Palcrafts (UK) Limited

Palcrafts (UK) Limited

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PALCRAFTS (UK) LIMITED

REPORT OF THE DIRECTORS
for the year ended 31 December 2025

The Council, as the directors of the company for company law purposes and trustees for charity law, presents its report and the audited financial statements for the year ended 31 December 2025.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

Objectives and aim
The objects of the charity are to:

- Relieve poverty in Palestine, primarily the West Bank and Gaza;
- Promote co-operation with individuals and groups in the UK in organising events of all kinds to heighten local awareness of Palestinian issues; and
- Provide educational materials and goods from Palestinian producer groups, particularly those catering for people with special needs, either physical or mental, and whose activities benefit the whole community.
- Highlight the plight of the Gaza sector of the Palestinian population who are enduring significant hardships resulting from the recent war.

The main objectives during the year continued to be:

- Operation of the fair-trade shop through our subsidiary company, Hadeel (UK) Limited ('Hadeel'), hence providing employment and income on fair trade principles to members of producer groups in the Palestinian areas, including women's cooperative groups, craft groups in refugee camps, physically disadvantaged and other special needs groups, and agricultural cooperatives.
- Organising and participating in educational events and improving our educational and information materials.
- Awarding grants to suppliers, groups and organisations in Palestine.

Significant Activities
The charity's wholly owned subsidiary, Hadeel, was established to operate the commercial retail operations, and its profits, where available, are gifted to the charity.

Palcrafts depends on donations and interest from bank deposits. The trading arm of the Charity (Hadeel) aims to break even, covering its own expenses, the cost of staffing and the overheads. Any surplus would be reinvested in the charity to fulfil its objectives.

The continuing conflict in Palestine and the resulting humanitarian crisis in Gaza, in particular and the West Bank continued to be the main focus for Palcrafts/Hadeel activities over the past year. Efforts were made to increase the procurement of Palestinian goods from the Occupied Palestinian Territories, supporting small and medium-sized businesses, co-operatives, women's groups and artisans. As shown below in Hadeel's trading activities, the amount of goods purchased has grown significantly compared to the previous years.

Palcrafts/Hadeel took part in fundraising efforts for the charity Medical Aid for Palestinians, as well as other charities. Palcrafts continued to support several initiatives in Scotland, such as the creation of the Glasgow-based Palcafe.

Grant-making policy
While the Directors believe that the best way to relieve poverty and improve people's welfare is to provide sustainable employment, they also see the importance of giving grants. Their criteria for making grants are:

1. Producer groups who show that they can make good use of funding to improve and expand their work, providing social benefit;
2. Supplier groups we know and trust, whose members are suffering real financial hardship, and individuals in exceptional cases; and
3. Groups or organisations, usually in Palestine, which, in our best judgment, would use the grants for sustainable development to serve the same purposes as Palcrafts.

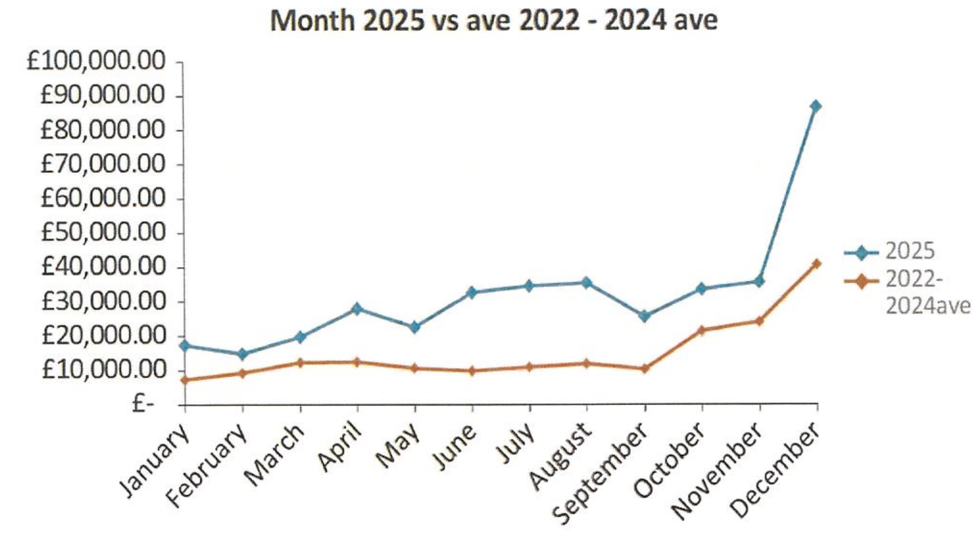
Public benefit
In sharing the objectives for the year and planning the charity's activities, the trustees have considered the Charity Commission's guidelines on public benefit, including the guidelines 'public benefit: running a charity (PB2). It is the trustees' opinion that the operations of the charity in its present form are for the public benefit under the principles set out in the Charity Commission guidelines.

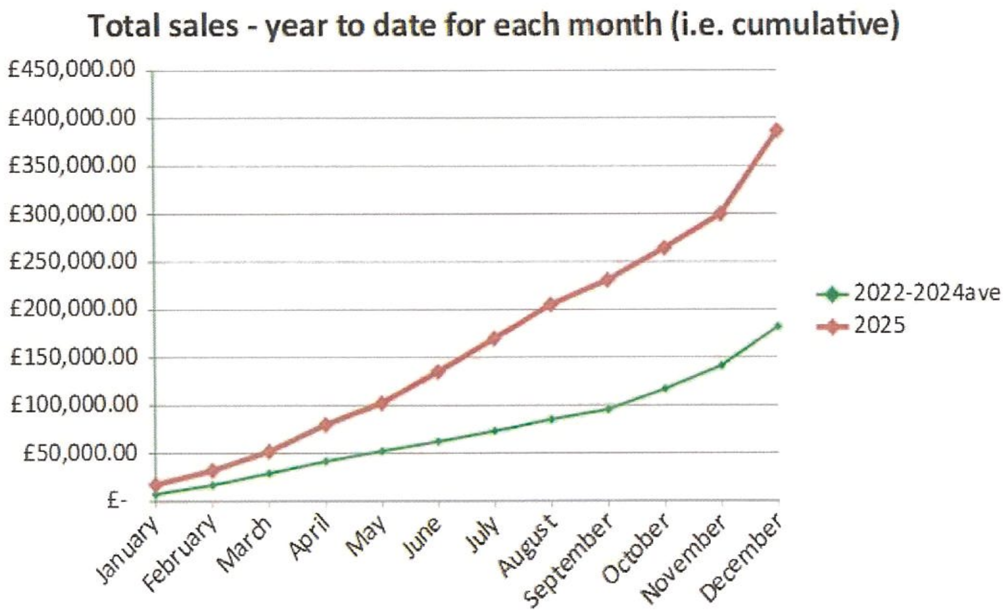
ASSESSMENT OF THE YEAR'S PERFORMANCE
The performance of our trading company "Hadeel" continued to grow over the past year. The trade growth was a result of several factors, including the conflict in Gaza, but also due to the addition of new lines of Palestinian merchandise, participation in events and pop-up shops across the region and in Glasgow and most importantly, the dedication and hard work of staff and volunteers to whom we are very grateful.

The improvement in Hadeel's trade during the year to 31st December 2025 is detailed in this report. The graphic representation given here is for illustration purposes only.

GOVERNANCE AND MANAGEMENT SUPPORT

2025 has continued to show further increases in sales and trading activities, as well as the increasing complexity of our operations, the Board of Directors has therefore continued to utilise the services Peninsula Business Services Limited which was commissioned in recent years to provide professional advice and support in the areas of Human Resources management and in payroll responsibilities. The commissioning of Peninsula Business Services has proven to be a worthwhile initiative that has continued to benefit Hadeel throughout this reporting period.





ACHIVEMENT & PERFORMANCE
2025- Another year of raging conflict and extreme suffering in Palestine

This report is prepared to cover activities and the annual report for the year from 1 January to 31 December 2025. The report will be presented at the AGM on 26 June 2026.

For the third year running, this annual report comes in the midst of a conflict that started in October 2023 and continues unabated, bringing with it incredible misery and an unimaginable toll of death, injuries, destruction, displacement, starvation, and complete collapse of civic life in the Gaza Strip and parts of the West Bank.

The conflict has extended into Lebanon, Syria, and Yemen. At this point, we mourn and remember more than 80,000 people who have died directly due to the conflict and over 100,000 who have died as a consequence of the conflict due to diseases that could have been treated and lives could have been saved if hospitals and other health care facilities were not destroyed, forcefully evacuated, or set on fire. Many lives could have been saved if healthcare workers, nurses, and paramedics were not targeted and murdered in their clinics, ambulances, and their own homes. Many lives could have been saved if clean water, food, and shelter had not been blocked and access had been allowed.

There is no doubt that the impact of the conflict was felt sorely around the world and not least in Scotland, with many of our supporters and customers expressing their outrage at the attacks and their support for the victims by visiting Hadeel, making donations, and buying Palestinian goods.

Palestinian producers in Gaza were unable to send products or receive payments due to the military, economic, and financial siege imposed by Israel on the Strip. Producers in the West Bank faced a similar situation with restrictions on travel across the West Bank due to many checkpoints on roads between cities and villages. Also, restrictions on money transfers to producers in the West Bank led to delayed payment and, sometimes, no payments at all.

FUND-RAISING AND PUBLIC EVENTS:
Opportunities for fundraising activities in Scotland on behalf of Palcrafts were limited during the year, but donations were received from customers and visitors at the shop. Although the amounts donated were modest, they were highly appreciated and valued. Participation in public events over the past year allowed Palcrafts/Hadeel to run stalls and build a network of relationships, generating off-site sales and reaching out to new customer bases.

FINANCIAL REVIEW
Donations received during the year were higher compared to the previous years. The main reason was due to Hadeel's policy to donate its profit for the year ended 31 December 2025 to Palcrafts. Including within donations for the year is £38,400 that was donated by Hadeel. Donations excluding Hadeel's donation had increased by 16% as compared to previous year. Palcrafts has managed to award grants and make donations to our beneficiaries totalling £2400. The continued imposed restrictions on money transfers to the West Bank and Gaza have been a major factor in sending money to our suppliers and beneficiaries during the reporting period.

Challenges and concerns
The charity's trading subsidiary, Hadeel continued to perform well in its trading activities during 2025. The directors of the charity are aware that the good trading activities are, largely, related to the Gaza conflict and therefore, future financial planning will take into account the possibility of a period of stagnation following the cessation of hostilities and the need for the rebuilding of Gaza. During the post-conflict period, much of the donations will probably be directed towards the rebuilding efforts and less to the buying of Hadeel products. Therefore, it has been prudent to build some reserve in order to ensure the sustainability of the organisation and maintain business within the fair-trade ethos and with Palestinian producers, small groups, and cooperatives at the heart of our aims and objectives.

In the year 2025, Hadeel had to address significant challenges with the rising cost of rent and staffing, which will also impact Palcrafts. The Landlords have served an eviction notice on Hadeel which gave Hadeel until September 2025 to vacate the premises. It became apparent that the purpose of this was to generate more fund. Hadeel would therefore need to match the market rate to be able to continue operating from 123 George Street. Such an increase in rent will make the current premises unaffordable, and therefore a relocation of Hadeel may be necessary. An interim agreement with the Church of Scotland, our landlord, on a rent increase has been reached which will cover the period from September 2025 to September 2026. Negotiations with the Church of Scotland are ongoing to ensure an affordable rent can be agreed upon if relocation is to be avoided. Furthermore, the rise in national living wage will add further challenges to the Palcrafts/Hadeel wage bill and overall finances. A continuous appraisal of the challenges were, and are still, ongoing to ensure the viability of our operations.

PLANS FOR FUTURE PERIODS

In planning for the immediate and long-term future, addressing the above challenges is paramount, but we should also aim to build on recent success with a stable management structure and a reliable governance strategy. The directors, with the help of Peninsula Business Services Limited, streamlined the Human Resources support, produced Health and Safety policies, and a staff handbook. Furthermore, the Hadeel stock management system was improved with the new "Lightspeed" electronic system.

The directors have conducted a strategy review that included all volunteers and employees to harness ideas that could be implemented to improve our operation, efficiency, and profitability in order to better serve our beneficiaries. The final recommendations are still being worked on, as these could be impacted by whether we remain in the current premises or move to new ones.

Treasury management

The directors operate a Treasury Management Policy so as to maximise interest on the charity's funds and to monitor risk and investment in relation to liquid funds, all in accordance with appropriate ethical criteria.

Reserves Policy

The reserves represent unrestricted funds arising from past operating results. It is the charity's policy to build up the unrestricted General Fund, excluding fixed assets, to cover the needs of the trading subsidiary and six months' group operating costs. The unrestricted funds at the balance sheet date were £125,850 (2024: £79,097), which includes the amount due from Hadeel. The directors believe that the balance due from Hadeel (UK) Limited is recoverable and that the current level of reserves can fulfil this policy.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a company limited by guarantee, incorporated on 17th January 2003, and was granted recognition as a charity on 5th February 2003. The objects and the powers of the charitable company are established under its Memorandum of Association, and it is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Recruitment and appointment of directors

The directors of the company are also charity trustees for the purposes of charity law and are known as the Council. Under the requirements of the Memorandum and Articles of Association, the directors are elected at the Annual General Meeting to serve for three years, after which they may be re-elected at the next Annual General Meeting.

The Council seeks to ensure that these aims are appropriately reflected through the knowledge and experience of the membership of the trustee body.

Directors' induction and training

Council members are already familiar with the practical work of the charity and conditions in the Palestinian areas. There are occasional visits by staff, council members, and volunteers to our producer groups in Palestine to keep in touch with them and the social benefit they provide. An induction pack has been developed, setting out the responsibilities and obligations of trustees, the main documents, the history of the charity, and details of the objectives and activities.

Organisational structure

The charity is managed by the board of directors, which meets frequently throughout the year to decide on the strategic direction and policy of the charity. The board must consist of a minimum of 3 members and a maximum of 15. The management of the charity shop is delegated to the Coordinator and Business Manager.

Related parties
The charity has close relationships with a number of similar organisations and groups, as well as the suppliers to the shop and the beneficiaries of the grants awarded. Similar organisations include:

- Sunbula, our sister shop in Jerusalem
- The One World Shop, Edinburgh
- Zaytoun CIC, London
- Equal Exchange, Edinburgh
- Scottish Fair-Trade Forum (SFTF)
- British Association for Fair Trade Shops and Suppliers (BAFTS)
- Association for Cultural Enterprises
- The Church of Scotland
- Social Enterprise Network Scotland
- Scottish Palestinian Forum

Risk Management
The directors continue to assess the risks to which the charity is exposed, relating to the operations and finance of the charity. Procedures are in place to oversee all financial transactions and to ensure compliance with the health and safety of staff, volunteers, customers and visitors. The Council operates a reserves policy to be able to meet the needs of our beneficiaries as they arise.

REFERENCE AND ADMINISTRATIVE INFORMATION

Registered Company number
SC242506 (Scotland)

Registered Charity number
SC033983

Registered Office and Operational Address
123 George Street
Edinburgh, EH2 4JN

Council Members (Directors)
Ms Orla O'Sullivan
Rev Michael Frew
Mr Syed Ali Ausat
Rev Colin Douglas
Elizabeth Paterson
Felicity Young
Elspeth Strachan
Wael Shawish (Chairperson)
Rev Deryck Collingwood
Dr Ishaq Abu-Arafeh resigned 25/6/2025

Company Secretary
Rev Michael Frew

Independent Examiner
S. Syedain & Co
Chartered Accountants
First Floor 87
Kenton Road Harrow Middlesex
HA3 0AH

Bankers
Bank of Scotland

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The charity directors (who are also the trustees of Palcrafts (UK) Limited) are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year.

In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles of 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 assume that the company will continue on that basis.

The directors are responsible for maintaining proper accounting records which 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. The directors are also responsible for safeguarding the assets of the charitable company and, hence, for taking reasonable steps to prevent and detect fraud and other irregularities.

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

Approved by the Board of Directors onJune 2026 and signed on their behalf by:

Wael Shawish

Chairperson

Independent Examiner's Report to the Trustees of
Palcrafts (UK) Limited

I report on the accounts for the year ended 31st December 2025 set out on pages ten to seventeen.

Respective responsibilities of trustees and examiner
The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's report
My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Report to the Trustees of
Palcrafts (UK) Limited

Independent examiner's statement

In connection with my examination, no matter has come to my attention :

(1) which gives me reasonable cause to believe that, in any material respect, the requirements

- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
- to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

T. Siddiqui

Tahira Siddiqui (Senior Statutory Auditor)
The Institute of Chartered Accountants in England and Wales

S Syedain & Co
Chartered Accountants
First Floor
87 Kenton Road
Harrow
Middlesex
HA3 0AH

Date: 3/9/2026

Statement of Financial Activities
for the Year Ended 31st December 2025

	Notes	Unrestricted fund £	Restricted fund £	31.12.25 Total funds £	31.12.24 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		48,673	-	48,673	8,825
Charitable activities					
Charitable Activities		12,433	-	12,433	10,483
Total		61,106	-	61,106	19,308
EXPENDITURE ON					
Charitable activities					
Expenditure on Charitable Activities		1,476	2,400	3,876	7,007
Governance costs		1,200	-	1,200	1,152
Support Costs		11,677	-	11,677	14,064
Total		14,353	2,400	16,753	22,223
NET INCOME/(EXPENDITURE)		46,753	(2,400)	44,353	(2,915)
RECONCILIATION OF FUNDS					
Total funds brought forward		79,097	4,035	83,132	86,047
TOTAL FUNDS CARRIED FORWARD		125,850	1,635	127,485	83,132

The notes form part of these financial statements

Balance Sheet
31st December 2025

	Notes	Unrestricted fund £	Restricted fund £	31.12.25 Total funds £	31.12.24 Total funds £
FIXED ASSETS					
Investments	3	100	-	100	100
CURRENT ASSETS					
Debtors	4	112,242	-	112,242	73,842
Cash at bank		16,118	1,635	17,753	12,159
		128,360	1,635	129,995	86,001
CREDITORS					
Amounts falling due within one year	5	(2,610)	-	(2,610)	(2,969)
NET CURRENT ASSETS		125,750	1,635	127,385	83,032
TOTAL ASSETS LESS CURRENT LIABILITIES		125,850	1,635	127,485	83,132
NET ASSETS		125,850	1,635	127,485	83,132
FUNDS	6				
Unrestricted funds				125,850	79,097
Restricted funds				1,635	4,035
TOTAL FUNDS				127,485	83,132

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2025.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2025 in accordance with Section 476 of the Companies Act 2006.

The notes form part of these financial statements

continued...

31st December 2025

The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 26th June 2026 and signed on its behalf by:

Mr W Shawish - Trustee

Notes to the Financial Statements
for the Year Ended 31st December 2025

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102 have prepared in accordance, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts {Scotland) Regulations 2006 {as amended), Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and and Republic of Ireland' (effective 1 January 2009) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The financial statements contain information about Palcrafts (UK) Ltd as an individual charity and do not contain consolidated financial information as the parent of a group.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

continued...

2. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2025 nor for the year ended 31st December 2024.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2025 nor for the year ended 31st December 2024.

3. FIXED ASSET INVESTMENTS

	Subsidiary
	£
Investment in subsidiary undertaking	100
As at 31 December 2025 and 2024	=======

Palcrafts (UK) Limited owns 100% of the issued share capital of Hadeel (UK) Limited, a company registered in Scotland. The accounts of Hadeel (UK) Limited show a profit of £Nil (2024: £8,552) for the year ended 31 December 2025 and closing capital and reserves totalling £1,107 (2024: £1,107) as at 31 December 2025. Hadeel (UK) Limited has donated its profit for the year ended 31 December 2025, amounting to £38,400, to Palcraft (UK) Limited as a charitable donation under the deed of Covenant.

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.25	31.12.24
	£	£
Other Debtors	4,216	4,216
Debtors due from Hadeel Ltd	108,026	69,626
	112,242	73,842

The amount due from Hadeel (UK) Ltd is an amount that was provided as an interest free loan to assist with working capital and is repayable on demand. It includes an amount of £38,400 donated by Hadeel (uK) Limited, under the deed of Convanant.

continued...

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.25	31.12.24
	£	£
Other creditors	1,410	1,410
Accrued expenses	1,200	1,559
	2,610	2,969

6. MOVEMENT IN FUNDS

	At 1.1.25	Net movement in funds	At 31.12.25
	£	£	£
Unrestricted funds			
General fund	79,097	46,753	125,850
Restricted funds			
West Bank and Gaza projects	4,035	(2,400)	1,635
TOTAL FUNDS	83,132	44,353	127,485

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	61,106	(14,353)	46,753
Restricted funds			
West Bank and Gaza projects	-	(2,400)	(2,400)
TOTAL FUNDS	61,106	(16,753)	44,353

continued...

6. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.24	Net movement in funds	At 31.12.24
	£	£	£
Unrestricted fund	72,562	6,535	79,097
Restricted fund			
West Bank and Gaza projects	13,485	(9,450)	4,035
TOTAL FUNDS	86,047	(2,915)	83,132

Comparative net movement in funds included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted fund	19,258	(12,723)	6,535
Restricted fund			
West Bank and Gaza projects	50	(9,500)	(9,450)
TOTAL FUNDS	19,308	(22,223)	(2,915)

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.24	Net movement in funds	At 31.12.25
	£	£	£
Unrestricted fund	72,562	53,288	125,850
Restricted fund			
West Bank and Gaza projects	13,485	(11,850)	1,635
TOTAL FUNDS	86,047	41,438	127,485

continued...

6. MOVEMENT IN FUNDS - continued

Net movement in funds included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted fund	80,364	(27,076)	53,288
Restricted fund			
West Bank and Gaza projects	50	(11,900)	(11,850)
TOTAL FUNDS	80,414	(38,976)	41,438

7. OTHER FINANCIAL COMMITMENTS

At 31 December 2025 the group had annual commitments under non-cancellable operating leases as follows:

	2025 £	2024 £
Premises lease expiring within one year	7,997	7,997

8. RELATED PARTY DISCLOSURES

The following transactions with Hadeel (UK) Limited ("Hadeel"), a 100% subsidiary of Palcrafts, took place during the year:

i) Included in income from charitable activities is £12,433 (2024: £10,483) which relate to rent and rates received from Hadeel in relation to Hadeel's proportion which are made to third parties by Palcrafts (UK) Ltd.

ii) As at 31 December 2025 a balance of £108,026 (2024: £69,626) was owed to Palcrafts by Hadeel.

iii) . Hadeel (UK) Limited has donated its profit for the year ended 31 December 2025, amounting to £38,400, to Palcrafts (UK) Limited as a charitable donation under the deed of Covenant.

Palcrafts (UK) Limited

Detailed Statement of Financial Activities for the Year Ended 31st December 2025

	31.12.25	31.12.24
	£	£
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	48,673	8,825
Charitable activities		
Rent received from Hadeel (UK) Ltd	9,150	7,200
Rates received from Hadeel (UK) Ltd	3,283	3,283
	12,433	10,483
Total incoming resources	61,106	19,308
EXPENDITURE		
Charitable activities		
Staff Costs	-	3,000
Misc. Expenses	765	462
Grants and donations	2,400	6,500
Subscriptions	711	45
	3,876	10,007
Support costs		
Management		
Rent	9,166	7,999
Rates	2,511	3,065
	11,677	11,064
Governance costs		
Accountancy fees	1,200	1,152
Total resources expended	16,753	22,223
Net income/(expenditure)	44,353	(2,915)

This page does not form part of the statutory financial statements