

QADER FOR COMMUNITY DEVELOPMENT

Financial Statements

As of December 31, 2011

Together With Independent Auditors' Report

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El Wafa Company

For Financial Consulting & Accounting Services

Correspondents of the International firm
"MAZARS"

Abu Shosheh Bldg. - 1st floor - Opposite of
Arab Bank Al Balad Branch - Ramallah
P.O. Box: 2056 - Ramallah
Tel: +970 2 2966210/1
Fax: +970 2 2966212
E-mail: musawafa@palnet.com

Independent Auditors' Report

To: The Board of Directors
QADER for Community Development (QADER)
Bethlehem

We have audited the accompanying Financial Statements of QADER for Community Development (QADER), which comprise the statement of financial position as at December 31, 2011, the statement of activities and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to QADER's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of QADER's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of QADER as of December 31, 2011, and its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards.

El Wafa Company



Musa Abu Dieh

Ramallah, Palestine
February 12, 2012

QADER for Community Development
Statement of Financial Position
As at December 31, 2011
(Currency: NIS)

	Note	2011	2010 (Restated, note 15)
<i>Assets</i>			
Current Assets			
Cash on hand and at bank	3	831,390	214,547
Pledges receivable	4	1,285,340	1,325,049
Prepayments and other current assets	5	66,455	29,485
Total Current Assets		2,183,185	1,569,081
Long Term Assets			
Fixed assets, net	6	179,906	218,928
Total Assets		2,363,091	1,788,009
<i>Liabilities and Net Assets</i>			
Current Liabilities			
Payables and accruals	7	9,169	44,969
Deferred revenues		51,870	18,270
Total Current Liabilities		61,039	63,239
Long Term Liabilities			
Reserve for end of service benefits	8	59,089	44,746
Total Liabilities		120,128	107,985
<i>Net Assets</i>			
Unrestricted		244,951	196,099
Temporarily restricted	12	1,998,012	1,483,925
Total Net Assets		2,242,963	1,680,024
Total Liabilities and Net Assets		2,363,091	1,788,009

The accompanying notes form an integral part of these financial statements

QADER for Community Development
Statement of Activities
For the Year Ended December 31, 2011
(Currency: NIS)

	Note	2011			2010
		Unrestricted	Temporarily Restricted	Total	Total (Restated, note 15)
Revenues					
Projects revenues	9	5,822	1,174,698	1,180,520	2,109,729
In-kind contribution		-	-	-	62,950
Other revenues	10	41,324	4,600	45,924	14,259
Bank interest		456	-	456	136
Currency differentials gain (loss)	11	39,377	-	39,377	(44,172)
Net assets released from restriction	12	620,110	(620,110)	-	-
Reallocation between temporarily restricted and unrestricted net assets	12	45,101	(45,101)	-	-
Total Revenues		752,190	514,087	1,266,277	2,142,902
Expenses					
Program expenses	13	425,955	-	425,955	499,094
General and administrative	14	234,301	-	234,301	204,788
Depreciation	6	38,172	-	38,172	33,723
Loss on disposal of assets	6	4,910	-	4,910	-
Total Expenses		703,338	-	703,338	737,605
Change in net assets		48,852	514,087	562,939	1,405,297
Net assets, beginning of year		196,099	1,483,925	1,680,024	274,727
Net assets, end of year		244,951	1,998,012	2,242,963	1,680,024

The accompanying notes form an integral part of these financial statements

QADER for Community Development
Cash Flow Statement
For the Year Ended December 31, 2011
(Currency: NIS)

	2011	2010
Cash Flow from Operating Activities		
Change in net assets	562,939	1,405,297
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	38,172	33,723
Increase in reserve for end of service benefits	14,343	13,567
Decrease (increase) in pledges receivables	39,709	(1,165,158)
(Increase) decrease in prepayments and other current assets	(36,970)	11,948
(Decrease) increase in payables and accruals	(35,800)	11,667
Increase (decrease) in deferred revenues	33,600	(177,191)
Net cash flow from operating activities	615,993	133,853
Cash Flow from (used in) Investing Activities		
Purchase of fixed assets	(4,060)	(165,740)
In-kind contribution	-	(7,950)
Disposal of fixed assets	4,910	55,000
Net cash flow (used in) investing activities	850	(118,690)
Net increase in cash on hand and at bank	616,843	15,163
Cash on hand and at bank, beginning of year	214,547	199,384
Cash on hand and at bank, end of year	831,390	214,547

The accompanying notes form an integral part of these financial statements