QADER FOR COMMUNITY DEVELOPMENT

Financial Statements
As of December 31, 2013
Together With Independent Auditors' Report

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El Wafa Company

For Financial Consulting & Accounting Services

Correspondents of the International firm
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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, 2013, 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, 2013, and its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards.

El Wafa Company
(Permit No. 203/2012)

Musa Abu Dieh

Ramallah, Palestine
April 30, 2014

QADER for Community Development
Statement of Financial Position
As at December 31, 2013
(Currency: NIS)

	Note	2013	2012
Assets			
Current Assets			
Cash on hand and at bank	3	89,743	231,958
Pledges receivable	4	1,452,328	1,807,112
Prepayments and other current assets	5	34,170	72,207
Total Current Assets		**1,576,241**	**2,111,277**
Fixed assets, net	6	217,770	228,374
Total Assets		**1,794,011**	**2,339,651**
Liabilities and Net Assets			
Current Liabilities			
Payables and accruals	7	138,119	85,783
Deferred revenues		-	51,870
Total Current Liabilities		**138,119**	**137,653**
Reserve for end of service benefits	8	123,283	84,550
Total Liabilities		**261,402**	**222,203**
Net Assets			
Unrestricted		162,055	287,614
Temporarily restricted	11	1,370,554	1,829,834
Total Net Assets		**1,532,609**	**2,117,448**
Total Liabilities and Net Assets		**1,794,011**	**2,339,651**

The accompanying notes form an integral part of these financial statements

QADER for Community Development
Statement of Activities
For the Year Ended December 31, 2013

(Currency: NIS)

	Note	2013 Unrestricted	2013 Temporarily Restricted	2013 Total	2012 Total
Revenues					
Projects revenues	9	-	1,103,296	1,103,296	936,031
Other revenues	10	4,014	1,000	5,014	3,206
Bank interest		-	-	-	256
Net assets released from restriction	11	1,516,312	(1,516,312)	-	-
Total Revenues		**1,520,326**	**(412,016)**	**1,108,310**	**939,493**
Expenses					
Program expenses	12	1,163,505	-	1,163,505	724,721
General and administrative	13	368,713	-	368,713	295,792
Depreciation	6	54,139	-	54,139	39,716
Contribution receivable write off	14	-	47,264	47,264	-
Currency differentials loss	15	59,528	-	59,528	4,779
Total Expenses		**1,645,885**	**47,264**	**1,693,149**	**1,065,008**
Change in net assets		**(125,559)**	**(459,280)**	**(584,839)**	**(125,515)**
Net assets, beginning of year		**287,614**	**1,829,834**	**2,117,448**	**2,242,963**
Net assets, end of year		**162,055**	**1,370,554**	**1,532,609**	**2,117,448**

The accompanying notes form an integral part of these financial statements

QADER for Community Development
Cash Flow Statement
For the Year Ended December 31, 2013
(Currency: NIS)

	2013	2012
Cash Flow from Operating Activities		
Change in net assets	**(584,839)**	**(125,515)**
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	54,139	39,716
Increase in reserve for end of service benefits	38,733	25,461
Decrease (increase) in pledges receivables	354,784	(521,772)
Decrease (increase) in prepayments and other current assets	38,037	(5,752)
Increase in payables and accruals	52,336	76,614
(Decrease) in deferred revenues	(51,870)	-
Net cash flow (used in) operating activities	**(98,680)**	**(511,248)**
Cash Flow from Investing Activities		
Purchase of fixed assets	(43,535)	(88,184)
Net cash flow (used in) investing activities	**(43,535)**	**(88,184)**
Net (decrease) in cash on hand and at bank	**(142,215)**	**(599,432)**
Cash on hand and at bank, beginning of year	**231,958**	**831,390**
Cash on hand and at bank, end of year	**89,743**	**231,958**

The accompanying notes form an integral part of these financial statements