

QADER FOR COMMUNITY DEVELOPMENT

Financial Statements
As of December 31, 2014
Together With Independent Auditors' Report

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El Wafa Company

For Financial Consulting & Accounting Services

Correspondents of the International firm
"MAZARS"

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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, 2014, 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, 2014, 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
March 3, 2015



QADER for Community Development
Statement of Financial Position
As at December 31, 2014
(Currency: NIS)

	<u>Note</u>	<u>2014</u>	<u>2013</u>
<i>Assets</i>			
Current Assets			
Cash on hand and at bank	3	80,138	89,743
Pledges receivable	4	805,122	1,452,328
Prepayments and other current assets	5	64,759	34,170
Total Current Assets		950,019	1,576,241
Fixed assets, net	6	216,157	217,770
Total Assets		1,166,176	1,794,011
<i>Liabilities and Net Assets</i>			
Current Liabilities			
Payables and accruals	7	36,027	138,119
Total Current Liabilities		36,027	138,119
Reserve for end of service benefits	8	151,366	123,283
Total Liabilities		187,393	261,402
<i>Net Assets</i>			
Unrestricted		141,187	162,055
Temporarily restricted	11	837,596	1,370,554
Total Net Assets		978,783	1,532,609
Total Liabilities and Net Assets		1,166,176	1,794,011

The accompanying notes form an integral part of these financial statements

QADER for Community Development
Statement of Activities
For the Year Ended December 31, 2014
(Currency: NIS)

	Note	2014			2013
		Unrestricted	Temporarily Restricted	Total	Total
Revenues					
Projects revenues	9	-	1,830,795	1,830,795	1,103,296
Other revenues	10	135,965	-	135,965	5,014
Currency differentials gain	15	118,421	-	118,421	-
Net assets released from restriction	11	2,200,997	(2,200,997)	-	-
Total Revenues		2,455,383	(370,202)	2,085,181	1,108,310
Expenses					
Program expenses	12	2,171,987	-	2,171,987	1,163,505
General and administrative	13	253,526	-	253,526	368,713
Depreciation	6	50,738	-	50,738	54,139
Contributions receivable write off	14	-	162,756	162,756	47,264
Currency differentials loss	15	-	-	-	59,528
Total Expenses		2,476,251	162,756	2,639,007	1,693,149
Change in net assets		(20,868)	(532,958)	(553,826)	(584,839)
Net assets, beginning of year		162,055	1,370,554	1,532,609	2,117,448
Net assets, end of year		141,187	837,596	978,783	1,532,609

The accompanying notes form an integral part of these financial statements

QADER for Community Development
Cash Flow Statement
For the Year Ended December 31, 2014
(Currency: NIS)

	2014	2013
Cash Flow from Operating Activities		
Change in net assets	(553,826)	(584,839)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	50,738	54,139
Increase in reserve for end of service benefits	28,083	38,733
Decrease in pledges receivable	647,206	354,784
(Increase) decrease in prepayments and other current assets	(30,589)	38,037
(Decrease) increase in payables and accruals	(102,092)	52,336
(Decrease) in deferred revenues	-	(51,870)
Net cash flow from (used in) operating activities	39,520	(98,680)
Cash Flow from Investing Activities		
Purchase of fixed assets	(49,125)	(43,535)
Net cash flow (used in) investing activities	(49,125)	(43,535)
Net (decrease) in cash on hand and at bank	(9,605)	(142,215)
Cash on hand and at bank, beginning of year	89,743	231,958
Cash on hand and at bank, end of year	80,138	89,743

The accompanying notes form an integral part of these financial statements