

QADER for Community Development

**Financial statements and
Independent Auditor's Report**

For the Year Ended December 31, 2019

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1-2
Statement of Financial Position – Statement (A)	3
Statement of Activities - Statement (B)	4
Statement of Changes in Net Assets – Statement (C)	5
Statement of Cash Flows – Statement (D)	6
Notes to Financial Statements	8-16
Appendix I- Contributions receivable	17
Appendix II- Temporarily restricted contributions	18
Appendix III- Program and general and administrative expenses by project	19-20

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of QADER for Community Development Bethlehem

Opinion

We have audited the financial statements of **QADER for Community Development** which comprise the statement of financial position as of **December 31, 2019**, statement of activities, statement of changes in net assets and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **QADER for Community Development** as of **December 31, 2019**, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of **QADER for Community Development** in accordance with the ethical requirements that are relevant to our audit of the financial statement in areas under the jurisdiction of Palestinian Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The financial statements of **QADER for Community Development** for the year ended December 31, 2018 were audited by predecessor auditing firm whose opinion dated April 16, 2019, on those statements was qualified as presented fairly in all material respects the financial position of QADER for Community Development s as of December 31, 2018, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing **QADER'S for Community Development** ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate **QADER for Community Development** or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing **QADER for Community Development** financial reporting process.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also,

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit 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 the internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on **QADER for Community Development's** ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause **QADER for Community Development** to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Engagement Partner: Samir Sahhar
Certified Public Accountant
License No. 109/2001

Deloitte and Touche
Ramallah, Palestine
April 15, 2020

QADER for Community Development
Statement of Financial Position
As of December 31, 2019

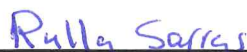
(All Amounts Represented in NIS)

	Note	December 31, 2019	December 31, 2018
Assets			
Non-Current Assets			
Property, Plant and Equipment – Net	(4)	110,541	34,377
Total Non-Current Assets		110,541	34,377
Current Assets			
Contributions receivable	App. I, (5)	394,114	606,082
Other current assets	(6)	82,435	84,741
Cash and cash equivalents	(7)	358,962	606,421
Total Current Assets		835,511	1,297,244
Total Assets		946,052	1,331,621
Net Assets and Liabilities			
Net Assets			
Unrestricted net assets		27,852	66,091
Temporarily restricted net asset for property, plant and equipment , net		110,541	34,377
Total Net Assets		138,393	100,468
Non-Current Liabilities			
Provision for employees' indemnity	(8)	401,999	346,290
Total Non-Current Liabilities		401,999	346,290
Current Liabilities			
Temporarily restricted contributions	App. II, (9)	363,713	847,565
Other current liabilities	(10)	41,947	37,298
Total Current Liabilities		405,660	884,863
Total Liabilities		807,659	1,231,153
Total Net Assets and Liabilities		946,052	1,331,621

- The accompanying notes constitute an integral part of the financial statements.



Lana Bandak
Director General



Rulla Sarras
Vice Chairperson of the board



Nicola Zreineh
Treasurer

QADER for Community Development
Statement of Activities
For the Year Ended December 31, 2019

(All Amounts Represented in NIS)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Changes in unrestricted net assets			
Revenues and Contributions			
Temporarily restricted contributions released from restriction	App. II, (11)	1,393,958	1,136,563
Other revenues	(12)	11,940	23,798
Currency exchange differences		41,490	21,354
Gain on property, plant and equipment		21,050	-
Total revenues, contributions and net assets released from restrictions		1,468,438	1,181,715
Expenditures			
Program expenses	App. III, (13)	1,087,042	856,890
General and administrative expenses	App. III, (14)	320,083	373,923
Depreciation of property and equipment	(4)	23,388	30,371
Loss on disposals of property and equipment		-	32
Total expenditures		1,430,513	1,261,216
Increase (Decrease) in the Unrestricted Net Assets for the year		37,925	(79,501)

- The accompanying notes constitute an integral part of the financial statements.

**QADER for Community Development
Statement of Changes in Net Assets
For the Year Ended December 31, 2019**

(All Amounts Represented in NIS)

	Unrestricted Net Assets	Temporarily restricted net assets Used for Property, Plant and Equipment	Total
Net assets as of December 31, 2017	124,839	55,130	179,969
Changes in Net Assets for the year	(79,501)	-	(79,501)
Depreciation of property and equipment	30,371	(30,371)	-
Additions on Property and equipment	(9,650)	9,650	-
Disposal cost	500	(500)	-
Disposal accumulated depreciation	(468)	468	-
Total	(58,748)	(20,753)	(79,501)
Net assets as of December 31, 2018	66,091	34,377	100,468
Changes in Net Assets for the year	37,925	-	37,925
Depreciation of property and equipment	23,388	(23,388)	-
Additions on Property and equipment	(99,552)	99,552	-
Disposal cost	61,000	(61,000)	-
Disposal accumulated depreciation	(61,000)	61,000	-
Total	(38,239)	76,164	37,925
Net assets as of December 31, 2019	27,852	110,541	138,393

-The accompanying notes constitute an integral part of the financial statements.

QADER for Community Development
Statement of Cash Flows
For the Year Ended December 31, 2019

(All Amounts Represented in NIS)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Changes in net assets for the year	37,925	(79,501)
Adjustments to reconcile current year changes in net assets with net cash used in operating activities:		
Depreciation of property and equipment	23,388	30,371
Increase (Decrease) in provision for employees' indemnity	55,709	65,641
(Increase) Decrease in contribution receivable	211,968	200,213
(Increase) Decrease in other current assets	2,306	(4,002)
Increase (Decrease) in temporarily restricted contributions	(483,850)	50,519
Increase (Decrease) in other current liabilities	4,647	1,003
Net cash used in operating activities	<u>(147,907)</u>	<u>264,244</u>
Cash flows from investing activities		
Additions of Property and equipment, net of loss on disposal	<u>(99,552)</u>	<u>(9,618)</u>
Net Cash used in investing activities	<u>(99,552)</u>	<u>(9,618)</u>
(Decrease) Increase in cash and cash equivalents	(247,459)	254,626
Cash and cash equivalents at the beginning of year	<u>606,421</u>	<u>351,795</u>
Cash and cash equivalents at the end of year	<u><u>358,962</u></u>	<u><u>606,421</u></u>

-The accompanying notes constitute an integral part of the financial statements.

QADER for Community Development
Notes to the Financial Statements
For the Year Ended December 31, 2019

(All Amounts Represented in NIS)

Note (1) General

QADER for Community Development (QADER) is a non-governmental, non-for-profit Palestinian organization registered with the Ministry of Interior in Bethlehem on July 23, 2008 under registration number (BL-3268-C. QADER endeavours to positively influence public policies, develop capacities of relevant stakeholders, and promote and protect the rights of Persons with Disabilities (PwD).

QADER works towards achieving the following strategic objectives:

1. Promoting the commitment of official Palestinian institutions towards the realization of the rights of persons with disabilities;
2. Promoting supporting community practices for the inclusion of persons with disabilities;
3. Enhancing the performance and responsiveness of civil society organizations and local authorities;
4. Towards fulfilling the rights and needs of persons with disabilities;
5. Enhancing QADER's performance towards achieving its vision and mission.

In 2019, QADER implemented the following Projects:

- Accomplished the project "Strengthening civil society engagement in promoting the rights of women and girls with disabilities (P.310/007/2017)", funded by Caritas Germany, and co-funded by Children's Relief Bethlehem (KHB). The project aims at promoting the role of Palestinian civil society to become an effective force in the protection and monitoring of human rights in line with international human rights standards, conventions, and instruments.
- Accomplished the project "Enhancing Inclusion and Participation of Vulnerable Groups in Local Planning (LDP)", with the support of the Strengthening the Civil Society Programme - GIZ, implemented on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The project aims to advance local development planning in small communities, and draws substantial emphasis on the inclusion and participation of various social groups, especially the marginalized ones, in the entire planning process.
- Accomplished the project "Promoting the Accountability of Key Stakeholders Towards the Needs and Priorities of Children and Youth within Inclusive Approach to Gender and Disability in Battir and Beit Ummar (Project Support 2019)", funded by the Swedish Organization for Individual Relief (SOIR - IM).
- Accomplished a project with the support of the Strengthening the Civil Society Programme - GIZ, implemented on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), with the aim of promoting the role of Palestinian civil society to become an effective force in the protection and monitoring of human rights in line with international human rights standards, conventions, and instruments. (GA # 81220952)
- Implemented the third phase of the project "Child Rights Governance (CRG)" in partnership with Save the Children International (SCI), funded by Swedish International Development Cooperation Agency - SIDA. The project aimed at strengthening national systems and processes to be child right based, inclusive, gender sensitive, participatory, accountable, and protective especially for marginalized children including CWD and reflecting the voice of children. QADER was responsible of several activities related to children with disabilities.
- Implemented "MOVE Gaza Pilot Project 2019-2020" funded by Caritas Germany, in Partnership with Catholic Relief Services (CRS). The project aimed to support the Missionaries of Charity (MoC) in Gaza in adopting and implementing MOVE Methodology for Children with Severe Disabilities.
- Implemented the project "Enhancing Responsiveness of Duty Bearers Towards the Needs and Priorities of Children in 6 Communities in the South of the West Bank within an Inclusive Approach to Gender and Disability, 2019-2020 (P. 310-010/2018)" funded by Caritas Germany, and co-funded by Children's Relief Bethlehem (KHB).
- Started with the implementation of the preparational period of the project "Prosperity and Advancement for Palestinian Women and Youth (SALALEM)". Funded by Global Affairs Canada, through Catholic Relief Services. The project aims at enhancing the labor market opportunities for young women and persons with disabilities.
- Accomplished initiative "Enhance the Protection of Women with Disability from Economical Violence". Which was received within MENA Hub Campaign Idol 2019 through Partners Jordan. The initiative aimed at enhancing the role of a group of women with disability in monitoring the violations against women with disabilities in southern West Bank.

(All Amounts Represented in NIS)

Note (2) Summary of Significant Accounting Policies

The financial statements have been prepared on the accrual basis of accounting and in conformity with International Financial Reporting Standards. The accounting policies adopted are consistent with those of the previous financial year.

The following significant accounting policies are adopted by QADER for Community Development:

a. Principles of fund Recording

For purpose of compliance with donor grant agreements, QADER for Community Development maintains its accounts in accordance with the principles of fund accounting under which Contribution receivable and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly contributions of QADER for Community Development and changes therein are classified and reported as follows;

Unrestricted Contributions

Contributions whose use by QADER for Community Development is not subject to donor-imposed restrictions.

Temporary Restricted Contributions

Contributions whose use by QADER for Community Development is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and released by actions of QADER for Community Development pursuant to those donor-imposed stipulations.

Revenues

They are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions which are reported as increases in temporarily restricted contributions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted contributions are classified as unrestricted net assets and reported as "Contributions Released from Restrictions".

The statement of activities is a statement of financial activities related to the current period, it is not a performance measure and does not purport to present the net income or loss for the period as would a statement of income for a business enterprise.

b. Contributions and Grants

Unconditional Grants and Grants with stipulations that are expected to be met are recognized as increases in temporarily restricted funds and are released to unrestricted funds over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

Amounts received under conditional grants whose conditions are based on future events and actions are deferred and presented under current liabilities and are taken to the statement of activities when the related conditions are met.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to QADER for Community Development with no future related costs are recognized in the statement of activities in the period in which they become receivable.

c. Contributions Receivable and deferred Grants

Contributions receivable are considered current assets and carried at net realizable values. Deferred contributions represent contributions received in advance of their related period of implementation.

(All Amounts Represented in NIS)

Note (2) Summary of Significant Accounting Policies "Continued"

d. Property, Plant and Equipment

Property, Plant and Equipment are stated at historical cost net of accumulated depreciation. Depreciation is computed on the straight-line basis over the estimated useful lives of the respective assets as detailed below:

<u>Asset</u>	<u>Useful Life</u>
Office Furniture	10 Years
Office Equipment	5 Years
Vehicles	8-8.5 Years
Software	5 Years

e. Financial Assets and Liabilities

Financial assets and financial liabilities are recognized on the balance sheet when QADER for Community Development becomes a party to the contractual provisions of the instrument.

f. Current and Non-current Assets

Current and Non-current Assets are measured on initial recognition at fair value, and are subsequently measured at amortized cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in the statement of activities when there is objective evidence that the asset is impaired.

g. Cash and Cash Equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash balances, and deposits at banks that are readily convertible to known amount of cash and are subject to insignificant risks of changes in value.

h. Current and Non-current liabilities

Current and Non-current liabilities are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. Liabilities are recognized for amounts to be paid in the future for goods and services received, whether billed by the supplier or not.

i. De-recognition of financial assets and financial liabilities

A financial asset is derecognized only when the contractual rights to the cash flows from the asset expire; or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity.

A financial liability is derecognized when the obligations under the liability is discharged or cancelled or expires.

j. Foreign currency statements transactions

The books of accounts of QADER for Community Development are maintained in New Israeli Shekels (NIS). Translation to the reporting currency is as follows:

- Transactions and balances which are denominated or expressed in NIS are presented at the actual NIS received or paid.
- Income, expenses and fixed assets additions, in currencies other than NIS, are translated into NIS equivalent using the prevailing exchange rates on the dates of transactions.
- Assets and liabilities in currencies other than NIS are translated into NIS equivalent at the rates of exchange prevailing on the date of statement of financial position as of December 31, 2019 at the rates of exchange of NIS/Euro 3.87 and NIS/USD 3.45.
- Exchange differences arising from the translation of foreign currency balances are charged to the statement of activities.

(All Amounts Represented in NIS)

Note (3) Use of Estimates and Critical judgment

1. Use of Estimates

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

2. Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future .

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period the estimates are revised and in any future period affected. Critical judgments and estimates relate to depreciation of fixed assets and impairment of receivables.

Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

• Changes in useful lives of Property, Plant and Equipment

Management determines the estimated useful lives of its fixed assets for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the useful lives annually and the future depreciation charge would be adjusted where management believes that the useful lives differ from previous estimates. No changes to these estimates were made during 2019.

• Impairment of receivables

An estimate of the uncollectible amount of account receivable is made when the collection of the full amount is no longer probable. This estimation is performed on an individual basis.

QADER for Community Development
Notes to the Financial Statements
For the Year Ended December 31, 2019

(All Amounts Represented in NIS)

Note (4) Property, Plant and Equipment – Net

Property, Plant and Equipment – Net consist of:

	<u>Office Equipment</u>	<u>Office Furniture</u>	<u>Software</u>	<u>Vehicles</u>	<u>Total 2019</u>	<u>Total 2018</u>
Cost:						
Beginning balance	152,764	44,147	2,540	240,000	439,451	430,301
Additions	7,552	-	-	92,000	99,552	9,650
Disposals	-	-	-	(61,000)	(61,000)	(500)
	<u>160,316</u>	<u>44,147</u>	<u>2,540</u>	<u>271,000</u>	<u>478,003</u>	<u>439,451</u>
Accumulated Depreciation						
Beginning balance	141,732	38,174	2,354	222,814	405,074	375,171
Depreciation for the year	4,883	1,388	186	16,931	23,388	30,371
Disposals	-	-	-	(61,000)	(61,000)	(468)
	<u>146,615</u>	<u>39,562</u>	<u>2,540</u>	<u>178,745</u>	<u>367,462</u>	<u>405,074</u>
Net Book Value						
At December 31, 2019	<u>13,701</u>	<u>4,585</u>	<u>-</u>	<u>92,255</u>	<u>110,541</u>	
Net Book Value At December 31, 2018	<u>11,032</u>	<u>5,973</u>	<u>186</u>	<u>17,186</u>		<u>34,377</u>

Note (5) Contributions receivable

Contributions receivable consist of:

	<u>December 31, 2019</u>		<u>December 31, 2018</u>
	<u>F.C.</u>	<u>NIS</u>	<u>NIS</u>
SIDA through Save the Children Project titled "Child Rights Governance"	SEK 562,755	208,219	190,907
Caritas Germany and Children's Relief Bethlehem project titled "Enhancing responsiveness of duty bearers towards the needs and priorities of children in 6 communities in the south of the west bank within an inclusive approach to gender and disability 2019-2020"	Euro 34,400	133,128	-
Caritas Germany through Catholic Relief Services (CRS) project titled "MOVE Gaza Pilot Project 2019-2020"	NIS 14,700	14,700	-
Global Affairs Canada through Catholic Relief Services (CRS) project titled "SALALEM: Prosperity and Advancement for Palestinian Women and Youth"	NIS 38,067	38,067	-
UN Women Trust Fund Project titled "Combat Gender Based Violence"		-	22,646
GIZ/ CSP Programme Project titled "Promoting the role of Palestinian civil society to become an effective force in the protection and monitoring of human rights in line with international human rights standards, conventions, and instruments"		-	71,206
GIZ Project titled "Enhancing inclusion and participation of vulnerable groups in local planning"		-	16,703
Caritas-Germany and Children's Relief Bethlehem project titled "Strengthening civil society engagement in promoting the rights of women and girls with disabilities"		-	304,620
		<u>394,114</u>	<u>606,082</u>

* See Appendix I for the movement of the contribution receivables.

QADER for Community Development
Notes to the Financial Statements
For the Year Ended December 31, 2019

(All Amounts Represented in NIS)

Note (6) Other current assets

Other current assets consist of:

	December 31, 2019	December 31, 2018
Due from employees	66,957	63,160
Prepaid expenses	9,728	13,081
Accrued membership fees	5,200	8,500
Other receivables	550	-
	82,435	84,741

Note (7) Cash and cash equivalents

Cash and cash equivalents consist of:

	December 31, 2019	December 31, 2018
	F.C.	
Cash on hand	5,138	5,679
Cash at banks – NIS	171,568	373,293
Cash at banks – USD	USD 28,615	180,818
Cash at banks – Euro	EUR 21,589	46,631
	358,962	606,421

Note (8) Provision for employees' indemnity

Provision for employees' indemnity consist of:

	December 31, 2019	December 31, 2018
Beginning balance	346,290	280,649
Provision for severance benefits during the year	55,709	65,641
Payment of severance benefits during the year	-	-
Ending balance	401,999	346,290

Note (9) Temporarily restricted contributions

Temporarily restricted contributions consist of:

	December 31, 2019	December 31, 2018
Caritas Germany and Children's Relief Bethlehem project titled "Enhancing responsiveness of duty bearers towards the needs and priorities of children in 6 communities in the south of the west bank within an inclusive approach to gender and disability 2019-2020"	162,526	-
SIDA through Save the Children Project titled "Child Rights Governance"	160,745	286,769
Global Affairs Canada through Catholic Relief Services (CRS) project titled "SALALEM: Prosperity and Advancement for Palestinian Women and Youth"	25,977	-
Caritas Germany through Catholic Relief Services (CRS) project titled "MOVE Gaza Pilot Project 2019-2020"	14,465	-
Caritas-Germany and Children's Relief Bethlehem project titled "Strengthening civil society engagement in promoting the rights of women and girls with disabilities "	-	331,027
GIZ Project titled "Enhancing inclusion and participation of vulnerable groups in local planning"	-	143,947
GIZ/ CSP Programme Project titled "Promoting the role of Palestinian civil society to become an effective force in the protection and monitoring of human rights in line with international human rights standards, conventions, and instruments"	-	85,822
	363,713	847,565

* See Appendix II for the movement of temporarily restricted contributions.

QADER for Community Development
Notes to the Financial Statements
For the Year Ended December 31, 2019

(All Amounts Represented in NIS)

Note (10) Other current liabilities

Other current liabilities consist of:

	December 31, 2019	December 31, 2018
Provision for annual leaves	28,696	29,410
Professional fees	6,919	7,540
Accrued health insurance	4,083	-
Other liabilities	2,249	348
	41,947	37,298

Note (11) Temporarily restricted contributions released from restriction

Temporarily restricted contributions released from restriction consist of:

	2019	2018
Caritas Germany and Children's Relief Bethlehem project titled "Enhancing responsiveness of duty bearers towards the needs and priorities of children in 6 communities in the south of the west bank within an inclusive approach to gender and disability 2019-2020"	396,488	-
Caritas-Germany and Children's Relief Bethlehem project titled Strengthening civil society engagement in promoting the rights of women and girls with disabilities "	284,437	248,550
SIDA through Save the Children Project titled "Child Rights Governance"	229,997	273,129
Caritas Germany through Catholic Relief Services (CRS) project titled "MOVE Gaza Pilot Project 2019-2020"	161,465	-
GIZ Project titled "Enhancing inclusion and participation of vulnerable groups in local planning"	121,810	223,512
The Swedish Organization for Individual Relief project titled "Promoting accountability of key shareholders towards the needs towards the needs and priorities of children and youth within an inclusive approach to gender and disability"	107,926	84,726
GIZ/ CSP Programme Project titled "Promoting the role of Palestinian civil society to become and effective force in the protection and monitoring of human rights in line with international human rights standards, conventions, and instruments"	64,435	79,157
Partners Jordan- MENA Hub Campaign Idol 2019. Initiative titled "Enhance the Protection of Women with Disability from Economical Violence"	15,310	-
Global Affairs Canada through Catholic Relief Services (CRS) project titled "SALALEM: Prosperity and Advancement for Palestinian Women and Youth"	12,090	-
Association Italian per la Solidarieta tra I Popoli	-	227,489
	1,393,958	1,136,563

* See Appendix II for the movement of temporarily restricted contributions.

QADER for Community Development
Notes to the Financial Statements
For the Year Ended December 31, 2019

(All Amounts Represented in NIS)

Note (12) Other revenues

Other revenues consist of:

	<u>2019</u>	<u>2018</u>
Training revenue	9,654	16,823
General assembly members contributions	1,600	5,100
Other revenues	686	1,875
	<u>11,940</u>	<u>23,798</u>

Note (13) Program expenses

Program expenses consist of:

	<u>2019</u>	<u>2018</u>
Salaries and Related Expenses	534,168	485,412
Support to Partners & Beneficiaries	190,667	98,231
Professional Fees, Trainers and Consultants	106,130	83,101
Media Production, Printing and Design	89,215	43,887
Volunteers Stipend	67,136	-
Travel and Transportation Expense	46,830	56,762
Workshops and Conferences Costs	34,781	-
Initiatives Costs	18,115	-
Accommodations, hospitality and refreshments	-	71,064
Awards and donations	-	13,580
Office suppliers, stationery, maintenance and others	-	2,907
Communication and utilities	-	750
Other running costs	-	1,196
	<u>1,087,042</u>	<u>856,890</u>

* See Appendix III for program and General and administrative expenses by project.

Note (14) General and administrative expenses

General and administrative expenses consist of:

	<u>2019</u>	<u>2018</u>
Salaries and Related Expenses	219,428	239,618
Professional Fees, Trainers and Consultants	24,315	33,591
Office Rent, Taxes and Insurance	23,465	24,012
Travel and Transportation Expense	14,259	17,805
Communication and Utilities	13,986	13,674
Other Running Cost	8,009	4,869
Web and Software maintenance Expenses	5,680	21,328
Office Supplies, Stationery, Maintenance and Others	4,273	15,443
Accommodation, Hospitality and Refreshment	4,048	3,220
Organization Capacity Building	2,600	-
Media Production, Printing and Design	20	-
Awards and donations	-	363
	<u>320,083</u>	<u>373,923</u>

* See Appendix III for program and General and administrative expenses by project.

(All Amounts Represented in NIS)

Note (15) Financial Instruments, Fair Values and Risk Management

(a) Fair Value of Financial Assets and Liabilities

The carrying book value of financial assets and liabilities are not materially different from their fair values at the date of the financial statements.

(b) Market Risk

Market risk arises from the possibility that the value of a financial instrument fluctuates as a result of changes in market prices.

(c) Credit Risk

The Entity credit risk is primarily attributable to its liquid funds and receivables. The credit risk on liquid funds is limited because liquid assets are placed with reputable financial institutions.

(d) Currency Risk

Currency risk arises from the possibility that changes in the exchange rates may affect negatively the value of the financial assets and liabilities in case the entity does not hedge its currency exposure by means of hedging instruments. The management usually distributes its liquid assets over its functional currencies to minimize any possible loss from currency rates fluctuation.

(e) Operational Risk

The costs of the entity's activities, programs, administrative as well as property and equipment procurements are financed by donor contributions.

There is a significant risk on the Association if donor funds decrease. The management believes that its own revenues and funding in the upcoming year will be sufficient to finance all of its disbursements and will be consistent with the level in the prior years.

Note (16) Subsequent Events

The existence of Novel Coronavirus (COVID-19) was confirmed in January 2020 and has subsequently spread to many other countries around the world. This event was declared by the World Health Organization as a global pandemic. This pandemic is expected to have several economic effects during the year 2020 on all economic sectors, including banking and financial institutions sector. Management considers this event to be a non-adjusting event after the reporting period and therefore has not made any adjustments to the financial statements as a result of this matter .

Management has considered these unique circumstances and the risk exposures of the entity and has evaluated the expected effects on the entity's operations in order to review and assess the potential risks arising due to this event. The outcome of this event is unknown and therefore the impact on the Entity cannot be reasonably quantified at the date of issuance of these financial statements .

**QADER for Community Development
Appendix I- Contributions receivable
For the Year Ended December 31, 2019**

(All Amounts Represented in NIS)

	Balance, beginning of year	Additions	Cash received	Reclassification between projects	Refund to Donor	Written Off	Currency exchange differences	Balance, end of year
	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS
SIDA through Save the Children Project titled "Child Rights Governance"	190,907	158,890	(142,910)	-	-	-	1,332	208,219
UN Women Trust Fund Project titled "Combat Gender Based Violence"	22,646	-	(24,058)	-	-	-	1,412	-
The Swedish Organization for Individual Relief project titled "Promoting accountability of key shareholders towards the needs towards the needs and priorities of children and youth within an inclusive approach to gender and disability"	-	118,288	(107,926)	-	-	-	(10,362)	-
GIZ/ CSP Programme Project titled "Promoting the role of Palestinian civil society to become and effective force in the protection and monitoring of human rights in line with international human rights standards, conventions, and instruments"	71,206	-	(45,527)	-	-	(19,508)	(6,171)	-
GIZ Project titled "Enhancing inclusion and participation of vulnerable groups in local planning"	16,703	-	-	-	1,526	(16,460)	(1,769)	-
Caritas-Germany and Children's Relief Bethlehem project titled Strengthening civil society engagement in promoting the rights of women and girls with disabilities "	304,620	-	(293,926)	31,548	-	(31,548)	(10,694)	-
Caritas Germany and Children's Relief Bethlehem project titled "Enhancing responsiveness of duty bearers towards the needs and priorities of children in 6 communities in the south of the west bank within an inclusive approach to gender and disability 2019-2020"	-	585,048	(399,996)	(31,548)	-	-	(20,376)	133,128
Caritas Germany through Catholic Relief Services (CRS) project titled "MOVE Gaza Pilot Project 2019-2020"	-	175,930	(161,230)	-	-	-	-	14,700
Global Affairs Canada through Catholic Relief Services (CRS) project titled "SALALEM: Prosperity and Advancement for Palestinian Women and Youth"	-	38,067	-	-	-	-	-	38,067
Partners Jordan- MENA Hub Campaign Idol 2019. Initiative titled "Enhance the Protection of Women with Disability from Economical Violence"	-	17,800	(16,340)	-	-	(1,150)	(310)	-
	<u>606,082</u>	<u>1,094,023</u>	<u>(1,191,913)</u>	<u>-</u>	<u>1,526</u>	<u>(68,666)</u>	<u>(46,938)</u>	<u>394,114</u>

QADER for Community Development
Appendix II- Temporarily restricted contributions
For the Year Ended December 31, 2019

(All Amounts Represented in NIS)

	Balance, beginning of year	Additions during the year	Temporarily restricted contributions released from restriction		Total Temporarily restricted contributions	Written off	Currency exchange differences	Balance, end of year
			Released for expenses	released for procurment of furiture and equipment				
	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS
SIDA through Save the Children Project titled "Child Rights Governance"	286,769	158,890	(225,845)	(4,152)	(229,997)	-	(54,917)	160,745
The Swedish Organization for Individual Relief project titled "Promoting accountability of key shareholders towards the needs towards the needs and priorities of children and youth within an inclusive approach to gender and disability"	-	118,288	(107,926)	-	(107,926)	-	(10,362)	-
GIZ Project titled "Enhancing inclusion and participation of vulnerable groups in local planning"	143,947	-	(121,810)	-	(121,810)	(19,508)	(2,629)	-
GIZ/ CSP Programme Project titled "Promoting the role of Palestinian civil society to become and effective force in the protection and monitoring of human rights in line with international human rights standards, conventions, and instruments"	85,822	-	(64,435)	-	(64,435)	(16,460)	(4,927)	-
Caritas-Germany and Children's Relief Bethlehem project titled "Strengthening civil society engagement in promoting the rights of women and girls with disabilities"	331,027	-	(284,437)	-	(284,437)	(31,548)	(15,042)	-
Caritas Germany and Children's Relief Bethlehem project titled "Enhancing responsiveness of duty bearers towards the needs and priorities of children in 6 communities in the south of the west bank within an inclusive approach to gender and disability 2019-2020"	-	585,048	(301,088)	(95,400)	(396,488)	-	(26,034)	162,526
Caritas Germany through Catholic Relief Services (CRS) project titled "MOVE Gaza Pilot Project 2019-2020"	-	175,930	(161,465)	-	(161,465)	-	-	14,465
Global Affairs Canada through Catholic Relief Services (CRS) project titled "SALALEM: Prosperity and Advancement for Palestinian Women and Youth"	-	38,067	(12,090)	-	(12,090)	-	-	25,977
Partners Jordan- MENA Hub Campaign Idol 2019. Initiative titled "Enhance the Protection of Women with Disability from Economical Violence"	-	17,800	(15,310)	-	(15,310)	(1,150)	(1,340)	-
	847,565	1,094,023	(1,294,406)	(99,552)	(1,393,958)	(68,666)	(115,251)	363,713

QADER for Community Development
Appendix III- Program and general and administrative expenses by project
For the Year Ended December 31, 2019

(All Amounts Represented in NIS)

Program Expenses Summary

	Caritas Germany – P. 310-007-2017	Caritas Germany – P.310-010/2018	CRS - MOVE Gaza	CRS - SALALEM	GIZ – GA # 81220952	GIZ - LDP	Partners Jordan- MENA Hub Campaign Idol 2019	Save the Children CRG	SOIR- IM- Project Support 2019	General Fund	Total 2019	Total 2018
	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS
Salaries and Related Expenses	154,748	147,336	13,831	6,500	33,237	4,987	-	94,067	56,606	22,856	534,168	485,412
Professional Fees, Trainers and Consultants	13,003	35,325	-	-	17,640	17,840	6,160	16,162	-	-	106,130	83,101
Accommodations, hospitality and refreshment:	-	-	-	-	-	-	-	-	-	-	-	71,064
Wokshops and Confernces Costs	8,605	9,525	1,387	-	133	-	1,231	13,700	-	200	34,781	-
Travel and Transportation Expense	10,086	11,454	3,118	25	1,010	622	175	18,424	980	936	46,830	56,762
Media Production, Printing and Design	11,500	-	1,015	-	54,269	18,651	1,408	2,322	-	50	89,215	43,887
Awards and donations	-	-	-	-	-	-	-	-	-	-	-	13,580
Initiatives Costs	-	-	-	-	-	-	-	18,115	-	-	18,115	-
Support to Partners & Beneficiaries	49,800	-	140,867	-	-	-	-	-	-	-	190,667	98,231
Office suppliers, stationery, maintenance and	-	-	-	-	-	-	-	-	-	-	-	2,907
Communication and utilities	-	-	-	-	-	-	-	-	-	-	-	750
Volunteers Stipend	-	24,000	-	-	-	19,200	6,336	17,200	-	400	67,136	-
Other running costs	-	-	-	-	-	-	-	-	-	-	-	1,196
	247,742	227,640	160,218	6,525	106,289	61,300	15,310	179,990	57,586	24,442	1,087,042	856,890

General and administrative expenses

	Caritas Germany – P. 310-007-2017	Caritas Germany – P.310-010/2018	CRS - MOVE Gaza	CRS - SALALEM	GIZ – GA # 81220952	GIZ - LDP	Partners Jordan- MENA Hub Campaign Idol 2019	Save the Children CRG	SOIR- IM- Project Support 2019	General Fund	Total 2019	Total 2018
	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS
Salaries and Related Expenses	25,241	57,949	677	3,077	3,917	1,245	-	32,540	37,807	56,975	219,428	239,618
Communication and Utilities	2,241	2,680	570	80	480	486	-	4,334	2,462	653	13,986	13,674
Office Rent, Taxes and Insurance	630	6,108	-	2,408	5,261	1,190	-	941	4,120	2,807	23,465	24,012
Office Supplies, Stationery, Maintenance and C	1,036	1,066	-	-	25	-	-	1,364	782	-	4,273	15,443
Accommodation, Hospitality and Refreshment	570	1,163	-	-	188	74	-	1,213	352	488	4,048	3,220
Media Production, Printing and Design	-	-	-	-	-	-	-	20	-	-	20	-
Travel and Transportation Expense	6,767	4,004	-	-	410	-	-	907	1,728	443	14,259	17,805
Professional Fees, Trainers and Consultants	-	-	-	-	5,000	-	-	3,450	-	15,865	24,315	33,591
Web and Software maintenance Expenses	-	-	-	-	-	-	-	-	-	5,680	5,680	21,328
Awards and donations	-	-	-	-	-	-	-	-	-	-	-	363
Organization Capacity Building	-	-	-	-	-	-	-	-	2,600	-	2,600	-
Other running cost	210	478	-	-	240	140	-	1,086	489	5,366	8,009	4,869
	36,695	73,448	1,247	5,565	15,521	3,135	-	45,855	50,340	88,277	320,083	373,923
	284,437	301,088	161,465	12,090	121,810	64,435	15,310	225,845	107,926	112,719	1,407,125	1,230,813

**QADER for Community Development
Appendix III- Program and general and administrative expenses by project
For the Year Ended December 31, 2019**

Project shortcut	Project Title
Caritas Germany – P. 310-007-2017	Caritas-Germany and Children’s Relief Bethlehem project titled Strengthening civil society engagement in promoting the rights of women and girls with disabilities "
Caritas Germany – P.310-010/2018	Caritas Germany and Children’s Relief Bethlehem project titled "Enhancing responsiveness of duty bearers towards the needs and priorities of children in 6 communities in the south of the west bank within an inclusive approach to gender and disability 2019-2020"
CRS - MOVE Gaza	Caritas Germany through Catholic Relief Services (CRS) project titled "MOVE Gaza Pilot Project 2019-2020"
CRS - SALALEM	Global Affairs Canada through Catholic Relief Services (CRS) project titled "SALALEM: Prosperity and Advancement for Palestinian Women and Youth"
GIZ – GA # 81220952	GIZ/ CSP Programme Project titled "Promoting the role of Palestinian civil society to become an effective force in the protection and monitoring of human rights in line with international human rights standards, conventions, and instruments"
GIZ - LDP	GIZ Project titled "Enhancing inclusion and participation of vulnerable groups in local planning"
Partners Jordan- MENA Hub Campaign Idol 2019	Partners Jordan- MENA Hub Campaign Idol 2019. Initiative titled "Enhance the Protection of Women with Disability from Economical Violence"
Save the Children- CRG	SIDA through Save the Children Project titled "Child Rights Governance"
SOIR- IM- Project Support 2019	The Swedish Organization for Individual Relief project titled "Promoting accountability of key shareholders towards the needs towards the needs and priorities of children and youth within an inclusive approach to gender and disability"
General Fund	QADER'S Unrestricted balance.