

QADER for Community Development

FINANCIAL STATEMENTS

DECEMBER 31, 2023



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Independent Auditor's Report To the General Assembly of QADER for Community Development

Opinion

We have audited the financial statements of QADER for Community Development (QADER), which comprise the statement of financial position as of December 31, 2023, statement of activities and changes in net assets, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of QADER as of December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of QADER in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, 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 ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate QADER or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance is responsible for overseeing QADER'S financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

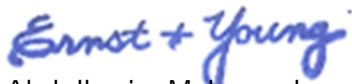
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 IS As, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 QADER's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- 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'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 to cease to continue as a going concern.
- 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, 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.

Ernst & Young – Middle East
License # 206/2012



Abdelkarim Mahmoud
License # 101/2017

Ramallah - Palestine
April 24, 2024

QADER for Community Development

Statement of Financial Position
As of December 31, 2023

| | Notes | <u>2023</u> ILS | <u>2022</u> ILS |
|--------------------------------------|-------|--------------------|--------------------|
| <u>Assets</u> | | | |
| Non-current Assets | | | |
| Property and equipment | 3 | 350,711 | 366,472 |
| | | <u>350,711</u> | <u>366,472</u> |
| Current Assets | | | |
| Contributions receivable | 4 | 7,774,946 | 2,670,449 |
| Cash and deposits at banks | 5 | 2,106,906 | 1,468,151 |
| Other current assets | 6 | 63,520 | 44,286 |
| | | <u>9,945,372</u> | <u>4,182,886</u> |
| Total Assets | | <u>10,296,083</u> | <u>4,549,358</u> |
| <u>Net Assets and Liabilities</u> | | | |
| Net Assets | | | |
| Unrestricted net assets | | 243,462 | 150,833 |
| Total Net Assets | | <u>243,462</u> | <u>150,833</u> |
| Non-current Liabilities | | | |
| Deferred revenues | 7 | 349,772 | 365,282 |
| Provision for employees' indemnity | 8 | 702,836 | 560,401 |
| | | <u>1,052,608</u> | <u>925,683</u> |
| Current Liabilities | | | |
| Temporarily restricted contributions | 9 | 8,908,067 | 3,394,767 |
| Other current liabilities | 10 | 91,946 | 78,075 |
| | | <u>9,000,013</u> | <u>3,472,842</u> |
| Total Liabilities | | <u>10,052,621</u> | <u>4,398,525</u> |
| Total Net Assets and Liabilities | | <u>10,296,083</u> | <u>4,549,358</u> |

The attached notes from 1 to 18 form part of these financial statements

QADER for Community Development

Statement of Activities and Changes in Net Assets
For the year ended December 31, 2023

| | Notes | 2023 <u>ILS</u> | 2022 <u>ILS</u> |
|---|-------|--------------------|--------------------|
| <u>Revenues</u> | | | |
| Temporarily restricted contributions released from restriction | 9 | 3,416,254 | 3,055,940 |
| Deferred revenues recognized | 7 | 88,764 | 73,652 |
| Other revenues | 11 | 58,018 | 90,201 |
| Total revenues | | <u>3,563,036</u> | <u>3,219,793</u> |
| <u>Expenses</u> | | | |
| Programs' expenses | 12 | (2,611,538) | (2,482,959) |
| Administrative expenses | 13 | (811,997) | (586,267) |
| Depreciation and amortization | 3 | (89,015) | (73,713) |
| Foreign currency differences | | 42,143 | 6,033 |
| Total expenses | | <u>(3,470,407)</u> | <u>(3,136,906)</u> |
| Increase in net assets | | 92,629 | 82,887 |
| Net assets, beginning of the year | | <u>150,833</u> | <u>67,946</u> |
| Net assets, end of the year | | <u>243,462</u> | <u>150,833</u> |

The attached notes from 1 to 18 form part of these financial statements

QADER for Community Development

Statement of Cash Flows
For the year ended December 31, 2023

| | Notes | 2023 <u>ILS</u> | 2022 <u>ILS</u> |
|---|-------|-------------------------|-----------------------|
| Operating Activities: | | | |
| Increase in net assets | | 92,629 | 82,887 |
| Adjustments for: | | | |
| Depreciation and amortization | | 89,015 | 73,713 |
| Deferred revenues recognized | | (88,764) | (73,652) |
| Provision for employees' indemnity | | 169,847 | 121,304 |
| Other non-cash items | | 1,988 | 64,962 |
| | | <u>264,715</u> | <u>269,214</u> |
| Contributions receivable | | 3,902,317 | 3,109,399 |
| Other current assets | | (19,234) | (10,465) |
| Temporarily restricted contributions | | (3,416,254) | (3,055,940) |
| Other current liabilities | | (14,117) | (10,621) |
| Employees' indemnity paid | | (27,412) | (9,303) |
| Net cash from operating activities | | <u>690,015</u> | <u>292,284</u> |
| Investing Activities | | | |
| Additions of property and equipment | | (51,260) | (75,751) |
| Deposits maturing in a period above 3 months | | (115,512) | (593,744) |
| Net cash used in investing activities | | <u>(166,772)</u> | <u>(669,495)</u> |
| Increase in cash and deposits at banks | | 523,243 | (377,211) |
| Cash and deposits at banks, beginning of the year | | <u>874,407</u> | <u>1,251,618</u> |
| Cash and deposits at banks, end of the year | 5 | <u><u>1,397,650</u></u> | <u><u>874,407</u></u> |

The attached notes from 1 to 18 form part of these financial statements

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) in accordance with law No. 1 for the year 2000 concerning Charitable Organizations.

QADER leads a twin-track approach, dedicated to the empowerment and protection of persons with disabilities, focusing on children, youth, and women. QADER's commitment extends to align societal, institutional, and policy contexts with the principles of "disability inclusion" and "leave no one behind" in Palestine. Through this alignment, QADER strives to foster the active engagement and meaningful participation of People with Disabilities across diverse facets of life and to ensure their full entitlements of rights in accordance with local laws and international human rights conventions and standards.

QADER works towards achieving the following strategic objectives:

- National Policies and Legislations are aligned with the UN human rights conventions and are binding for duty-bearers.
- Local communities are catalysts for promoting the access of PwDs to their social, economic, and political rights.
- Enhance the inclusion of women and youth with disabilities in the Palestinian labor market.
- Combating all forms of discrimination, marginalization, violence, and gender inequalities for children, women, and youth with disabilities.
- The organizational capacities of QADER are strengthened towards fulfilling its commitment and to its vision, mission, and strategic objectives.

QADER's financial statements as of December 31, 2023 were approved by the Board of Directors on April 20, 2024.

2. Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on a historical cost basis.

The financial statements have been prepared and presented in Israeli Shekel (ILS).

2.2 Changes in accounting policy

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the previous year, except for applying certain standards and amendments to the standards, which became effective for annual periods beginning on or after January 1, 2023:

Definition of Accounting Estimates - Amendments to IAS (8)

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on Qader's financial statements.

Disclosure of Accounting Policies – Amendments to IAS (1) and IFRS Practice Statement (2)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on Qader's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognized for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments had no impact on Qader's financial statements.

Standards and amendments issued but not yet effective

The new and amendment standards that are issued but not yet effective, up to the date of issuance of Qader's financial statements are disclosed below. Qader intends to adopt these amendments, if applicable, when they become effective.

Amendments to IFRS 16: Lease liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that related to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on Qader's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement,
- That a right to defer must exist at the end of the reporting period,
- That classification is unaffected by the likelihood that an entity will exercise its deferral right,
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. Qader is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

The amendments are not expected to have a material impact on Qader's financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on Qader's financial statements.

2.3 Estimations and assumptions

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires QADER's management to exercise its judgment in the process of applying the accounting policies. QADER's management continually evaluates its estimates, assumptions and judgments based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates.

The key areas involving a higher degree of judgment or complexity are described below:

Useful lives of tangible assets

QADER's management reassesses the useful lives of tangible assets, and makes adjustments if applicable, at each financial year end.

Provision for employees' indemnity

Employees' benefits expense for the year was charged in accordance with the Palestinian Labor Law and in line with international accounting standards.

Provision for expected credit losses

Financial assets are recorded on the basis mentioned in the "Impairment of financial instruments".

Allocation of expenses

the administrative and program expenses are allocated to projects' and programs' budget according to the best estimates of QADER's management.

Provision for expected credit losses is reviewed based on IFRS (9). The determination of the provision for expected credit losses requires management to make important judgments and assumptions to expect the future cash flows and their timings, in addition evaluating any significant increases in the credit risks of QADER's financial assets, after their initial recognition, there after taking into account the future value of the expected credit losses.

The management believes that the estimates and assumptions used are reasonable.

2.4 Summary of material accounting policy information

Revenue recognition

Donation revenues

Donors' unconditional pledges are those pledges where donors do not specify prerequisites that have to be carried out by the recipient before obtaining the fund.

Donation revenues from unconditional pledges are recognized as follows:

- Unconditional pledges that are not restricted by a donor for a specific purpose or time are recognized as revenue when the pledge is obtained.
- Unconditional pledges that are temporary restricted by donors for specific purpose or time are recognized as revenue when such purpose or time is satisfied.

Deferred revenues

Donations related to property and equipment are measured at fair value, recorded as deferred revenues and recognized as revenue on a systematic basis over the useful life of the asset in the statement of activities and changes in net assets.

Interest income

Revenue is recognized as interest accrued using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Expenses recognition

Expenses are recognized when incurred based on the accrual basis of accounting.

Classification of current and non-current

QADER presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Expected to be realized within twelve months after the reporting period
- Cash and deposits at banks unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Cash and deposits at banks

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, bank balances and bank deposits.

Contributions receivable

Contributions receivable are stated at the original amount of the unconditional pledge less amounts received and any uncollectible pledges at the financial statement date. An estimate for the uncollectible amount is made when the collection of full unconditional pledge is no longer probable.

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. All other repair and maintenance costs are recognized in the statement of activities and changes in net assets as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

| | Useful life (Years) |
|------------------|---------------------------|
| Office furniture | 10 |
| Office equipment | 5 |
| Software | 10 |
| Vehicles | 8-9 |

An item of plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of activities and changes in net assets.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Income taxes

QADER is a not-for-profit organization; accordingly, it is not subject to income tax, such that its income complies with the Palestinian income tax law.

Provisions

Provisions are recognized when QADER has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and reliably measurable.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Foreign currency

Transactions in foreign currencies other than ILS are recorded at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to ILS at the rate of exchange prevailing at the reporting date. All gain or loss differences are recognized in the statement of activities and changes in net assets.

3. Property and equipment

This item includes the following:

| | Office furniture | Office equipment | Software | Vehicles | Total |
|--|---------------------|---------------------|--------------|----------------|----------------|
| | ILS | ILS | ILS | ILS | ILS |
| <u>Cost</u> | | | | | |
| At January 1, 2023 | 67,897 | 264,411 | 7,355 | 265,500 | 605,163 |
| Additions | 2,400 | 70,854 | - | - | 73,254 |
| At December 31, 2023 | <u>70,297</u> | <u>335,265</u> | <u>7,355</u> | <u>265,500</u> | <u>678,417</u> |
| <u>Accumulated depreciation</u> | | | | | |
| At January 1, 2023 | 47,017 | 124,923 | 3,377 | 63,374 | 238,691 |
| Depreciation and amortization for the year | 3,148 | 53,525 | 482 | 31,860 | 89,015 |
| At December 31, 2023 | <u>50,165</u> | <u>178,448</u> | <u>3,859</u> | <u>95,234</u> | <u>327,706</u> |
| <u>Net Book Value</u> | | | | | |
| As at December 31, 2023 | <u>20,132</u> | <u>156,817</u> | <u>3,496</u> | <u>170,266</u> | <u>350,711</u> |
| As at December 31, 2022 | <u>20,880</u> | <u>139,488</u> | <u>3,978</u> | <u>202,126</u> | <u>366,472</u> |

Property and equipment cost include ILS 103,975 and ILS 99,009 of fully depreciated assets that are still used in QADER's operations as of December 31, 2023 and 2022.

4. Contributions receivable

| | Balance, beginning of year | Additions | Cash received | Write off | Transferred to other projects* | Currency exchange differences | Balance, end of year |
|--|----------------------------------|------------------|--------------------|------------------|--------------------------------------|-------------------------------------|-------------------------|
| | ILS | ILS | ILS | ILS | ILS | ILS | ILS |
| Prosperity and Advancement for Palestinian Women and Youth - SALALEM / CRS | 396,618 | 74,003 | (364,178) | (32,785) | - | - | 73,658 |
| Enhancing Labor Market Inclusion Opportunities for Persons with Disabilities in the south of the West Bank- Differently Able - DA / DROSOS | 641,274 | - | (564,105) | - | - | 14,239 | 91,408 |
| Promoting responsive quality services and protection measures for persons with disabilities in Palestine - WE CARE / Caritas Germany | 121,055 | - | (118,968) | - | - | (2,087) | - |
| MOVE+/ CRS | 11,733 | - | (8,368) | (3,365) | - | - | - |
| Enhancing the protection of women and girls with disabilities from SGBV - ERADA / Oxfam | 120,242 | - | (117,392) | - | - | (2,850) | - |
| Strengthening local capacities in Community Based Inclusive Development in Hebron Governorate - CBID / CBM | 1,333,919 | - | (1,212,701) | (198,958) | - | 77,740 | - |
| Reducing Barriers to Entrepreneurship and Self-Employment for Women with Disabilities -VCP / Oxfam | 17,448 | - | (17,540) | - | - | 92 | - |
| SIDA CSOs 2022/ Save the Children International | 28,160 | - | - | (28,800) | - | 640 | - |
| Enhancing labor market inclusion of persons with disabilities in the West Bank - EEP / Caritas Germany | - | 783,900 | (184,891) | - | (78,686) | 2,667 | 522,990 |
| Enhancing quality services and protection of persons with disabilities -WE CARE II / BMZ (Caritas Germany) | - | 2,137,500 | (747,713) | - | - | 118,813 | 1,508,600 |
| MOVE++/ CRS | - | 43,289 | (29,576) | - | - | - | 13,713 |
| LBN Norad Framework Agreement 2023/ SC Norway | - | 4,440 | (4,320) | - | - | (120) | - |
| Support persons with Disabilities with the knowledge and Resources to Better Understand and Facilitate their Access to the Labour Market - VCP II/ Oxfam | - | 139,143 | (41,022) | - | - | (2,646) | 95,475 |
| The Arabic Network for Children's Rights- MANARA | - | 4,320 | - | - | - | - | 4,320 |
| Emergency relief for people with disabilities - UAF / Urgent Action Fund | - | 29,680 | (29,600) | - | - | (80) | - |
| Support MOVE Centers in the West Bank/ SC Norway | - | 285,392 | (229,442) | - | - | (30,072) | 25,878 |
| Promoting inclusive and resilient communities in the West Bank through local capacity building - PIRC / CBM | - | 5,741,654 | (232,501) | - | - | (70,249) | 5,438,904 |
| Total | <u>2,670,449</u> | <u>9,243,321</u> | <u>(3,902,317)</u> | <u>(263,908)</u> | <u>(78,686)</u> | <u>106,087</u> | <u>7,774,946</u> |

* This Item represents the amount received from Caritas Germany during the year 2022, which was transferred from right to protection project (note 9) to "enhancing labor market inclusion of persons with disabilities in the West Bank" project.

5. Cash and deposits at banks

| | 2023 | 2022 |
|---|------------------|------------------|
| | <u>ILS</u> | <u>ILS</u> |
| Cash on hand and current accounts at banks | 1,397,650 | 874,407 |
| Short-term deposits with a maturity of a year | <u>709,256</u> | <u>593,744</u> |
| | <u>2,106,906</u> | <u>1,468,151</u> |

Short-term deposits are denominated in ILS with an average interest rate of 2%, during the years ended December 31, 2023 & 2022.

For the purpose of the statement of cash flows, cash and cash equivalent comprise the following:

| | 2023 | 2022 |
|---|------------------|------------------|
| | <u>ILS</u> | <u>ILS</u> |
| Cash on hand and current accounts at banks | 1,397,650 | 874,407 |
| Short-term deposits with a maturity of a year | <u>709,256</u> | <u>593,744</u> |
| | 2,106,906 | 1,468,151 |
| Less: Deposits maturing in more than 3 months | <u>(709,256)</u> | <u>(593,744)</u> |
| | <u>1,397,650</u> | <u>874,407</u> |

6. Other current assets

| | 2023 | 2022 |
|------------------------------|---------------|---------------|
| | <u>ILS</u> | <u>ILS</u> |
| Prepaid expenses | 18,713 | 12,843 |
| Advance payments to partners | 19,000 | - |
| Employees' receivables | 12,785 | 21,484 |
| Membership fees receivable | 3,650 | 7,700 |
| Other receivables | <u>9,372</u> | <u>2,259</u> |
| | <u>63,520</u> | <u>44,286</u> |

7. Deferred revenues

Plant and equipment acquired during the year out of the temporarily restricted contributions are recorded as deferred revenues. Summary of the Movement on deferred revenues during the year was as follows:

| | 2023 | 2022 |
|--------------------------------|-----------------|-----------------|
| | <u>ILS</u> | <u>ILS</u> |
| Balance, beginning of the year | 365,282 | 364,434 |
| Additions* (note 9) | 73,254 | 74,500 |
| Deferred revenues recognized | <u>(88,764)</u> | <u>(73,652)</u> |
| Balance, end of the year | <u>349,772</u> | <u>365,282</u> |

* During the year, QADER has received donations in the form of fixed assets (media equipment) from Oxfam organization amounting ILS 21,994.

8. Provision for employees' indemnity

Following is a summary of the movement on the provision for employees' indemnity during the year:

| | 2023 | 2022 |
|--------------------------------|-----------------|----------------|
| | <u>ILS</u> | <u>ILS</u> |
| Balance, beginning of the year | 560,401 | 448,400 |
| Additions during the year | 169,847 | 121,304 |
| Payments during the year | <u>(27,412)</u> | <u>(9,303)</u> |
| Balance, end of the year | <u>702,836</u> | <u>560,401</u> |

Provision for employee's indemnity is provided for in accordance with the labor law prevailing in Palestine and QADER's human resources policies.

9. Temporarily restricted contributions

This item comprises of temporarily restricted contributions subject to purpose restriction. These amounts represent the difference between the pledges received and the expenditures made out to satisfy the purpose stipulated by the donor. Movement on the temporarily restricted contributions as of December 31, 2023 is as follows:

| | Balance, beginning of year | Additions | Temporarily restricted contributions released from restriction | Transferred to deferred revenues (note 7) | Transferred to projects* | Transferred to due to donors** | Write-offs | Currency exchange differences | Balance, end of year |
|--|----------------------------------|---------------|--|--|-----------------------------|--------------------------------------|------------------|-------------------------------------|----------------------------|
| | ILS | ILS | ILS | ILS | ILS | ILS | ILS | ILS | ILS |
| Prosperity and Advancement for Palestinian Women and Youth - SALALEM / CRS | 411,279 | 74,003 | (434,520) | - | - | - | (32,785) | - | 17,977 |
| Enhancing Labor Market Inclusion Opportunities for Persons with Disabilities in the south of the West Bank- Differently Able - DA / DROSOS | 1,059,264 | - | (646,899) | (6,435) | - | - | - | 38,105 | 444,035 |
| Promoting responsive quality services and protection measures for persons with disabilities in Palestine - WE CARE / Caritas Germany | 256,671 | - | (216,388) | (26,514) | - | - | - | (13,769) | - |
| MOVE+ / CRS | 9,208 | - | (5,843) | - | - | - | (3,365) | - | - |
| Enhancing the protection of women and girls with disabilities from SGBV - ERADA / Oxfam | 72,106 | - | (71,955) | - | - | - | - | (151) | - |
| Strengthening local capacities in Community Based Inclusive Development in Hebron Governorate - CBID / CBM | 1,435,129 | - | (1,017,944) | (18,311) | - | - | (198,958) | 66,059 | 265,975 |
| Right to Protection/ Caritas Germany | 75,373 | - | (113) | - | (78,686) | - | - | 3,426 | - |
| Reducing Barriers to Entrepreneurship and Self- Employment for Women with Disabilities -VCP / Oxfam | 21,238 | - | (21,831) | - | - | - | - | 593 | - |
| Subtotal | <u>3,340,268</u> | <u>74,003</u> | <u>(2,415,493)</u> | <u>(51,260)</u> | <u>(78,686)</u> | <u>-</u> | <u>(235,108)</u> | <u>94,263</u> | <u>727,987</u> |

| | Balance, beginning of year | Additions | Temporarily restricted contributions released from restriction | Transferred to deferred revenues (note 7) | Transferred to projects* | Transferred to due to donors** | Write-offs | Currency exchange differences | Balance, end of year |
|---|----------------------------------|------------------|--|--|-----------------------------|--------------------------------------|------------------|-------------------------------------|-------------------------|
| | ILS | ILS | ILS | ILS | ILS | ILS | ILS | ILS | ILS |
| Sida CSOs 2022 / Save the child | 54,499 | - | - | - | - | (27,988) | (28,800) | 2,289 | - |
| DCV- Economic Empowerment Project | - | 783,900 | (49,251) | - | - | - | - | (8,293) | 726,356 |
| Enhancing quality services and protection of persons with disabilities -WE CARE II / BMZ (Caritas Germany) | - | 2,137,500 | (568,648) | - | - | - | - | 120,390 | 1,689,242 |
| MOVE++/ CRS | - | 43,289 | (30,406) | - | - | - | - | - | 12,883 |
| LBN Norad Framework Agreement 2023/ SC Norway | - | 4,440 | (4,379) | - | - | - | - | (61) | - |
| Support persons with Disabilities with the knowledge and Resources to Better Understand and Facilitate their Access to the Labour Market - VCP II/ Oxfam | - | 139,143 | (12,845) | - | - | - | - | (2,269) | 124,029 |
| The Arabic Network for Children's Rights- MANARA | - | 4,320 | (4,540) | - | - | - | - | 220 | - |
| Emergency relief for people with disabilities - UAF / Urgent Action Fund | - | 29,680 | (9,679) | - | - | - | - | (328) | 19,673 |
| Support MOVE Centers in the West Bank/ SC Norway | - | 285,392 | (256,316) | - | - | - | - | (29,076) | - |
| Promoting inclusive and resilient communities in the West Bank through local capacity building - PIRC / CBM | - | 5,741,654 | (64,697) | - | - | - | - | (69,060) | 5,607,897 |
| | <u>3,394,767</u> | <u>9,243,321</u> | <u>(3,416,254)</u> | <u>(51,260)</u> | <u>(78,686)</u> | <u>(27,988)</u> | <u>(263,908)</u> | <u>108,075</u> | <u>8,908,067</u> |

* During the year, as agreed with Caritas Germany to close the Right to Protection project and transfer the unspent amount of the received amounts to "enhancing labor market inclusion of persons with disabilities in the West Bank" project (Note 4).

** During the year, as agreed with Save the Children (the donor) to close the SIDA CSOs 2022 project by writing off 28,800 Israeli shekels from the grant and returning 27,988 Israeli shekels to the donor (Due to donors, Note 10).

10. Other current liabilities

| | <u>2023</u> | <u>2022</u> |
|---------------------------|---------------|---------------|
| | ILS | ILS |
| Vacations provision | 33,986 | 42,446 |
| Due to donors (Note 9) | 27,988 | - |
| Accrued professional fees | 9,250 | 17,370 |
| Due to staff | 664 | 3,237 |
| Others | 20,058 | 15,022 |
| | <u>91,946</u> | <u>78,075</u> |

11. Other revenues

| | <u>2023</u> | <u>2022</u> |
|---|---------------|---------------|
| | ILS | ILS |
| Cars' usage revenues | 18,240 | 38,350 |
| Research studies revenues | 11,010 | - |
| Internship revenues | 10,706 | - |
| Interest revenues | 7,625 | 2,943 |
| Recovery of provisions no longer required | 2,334 | 39,445 |
| Others | 8,103 | 9,463 |
| | <u>58,018</u> | <u>90,201</u> |

12. Programs expenses

| | Program expenses | | | | | | | | | |
|---|---------------------------|------------------|----------------------|---------------|-------------------------|--------------|--------------|---------------|---------------|------------------|
| | Climate Change Initiative | Differently Able | Economic Empowerment | ERADA | Leaving no Child Behind | MOVE+ | MOVE++ | PIRC | Subtotal | |
| | CBID | ILS | ILS | ILS | ILS | ILS | ILS | ILS | ILS | |
| Salaries and related expenses | 231,842 | - | 159,262 | 34,678 | 5,682 | 4,540 | 1,330 | 19,555 | 29,880 | 486,769 |
| Support to partners and beneficiaries | 477,784 | - | 286,553 | - | - | - | - | - | - | 764,337 |
| Professional fees, trainers and consultants | 45,381 | 2,672 | 12,205 | - | 2,585 | - | - | - | - | 62,843 |
| Media production, printing and design | 12,401 | - | 293 | - | 6,863 | - | - | - | - | 19,557 |
| Workshop and conferences costs | 8,733 | 1,707 | 23,799 | - | 15,435 | - | - | - | - | 49,674 |
| Travel and transportation expense | 19,388 | - | 6,690 | - | 5,415 | - | 2,822 | 6,403 | - | 40,718 |
| Initiative costs | 34,495 | - | - | - | 18,353 | - | - | - | - | 52,848 |
| Organization capacity building costs | - | - | - | - | - | - | - | - | - | - |
| Office supplies | - | - | - | - | - | - | - | - | - | - |
| Communications | - | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - | - |
| Total | 830,024 | 4,379 | 488,802 | 34,678 | 54,333 | 4,540 | 4,152 | 25,958 | 29,880 | 1,476,746 |

| | Program expenses | | | | | | | | | |
|---|------------------|----------------|----------------------|--------------|---------------|---------------|----------------|----------------|------------------|------------------|
| | Subtotal | SALALEM | Support MOVE Centers | UAF-3871-23 | VCP | VCP 2023-2024 | We Care | WE CARE II | 2023 | 2022 |
| | ILS | ILS | ILS | ILS | ILS | ILS | ILS | ILS | ILS | ILS |
| Salaries and related expenses | 486,769 | 310,132 | 11,573 | 4,380 | 1,669 | 5,558 | 14,568 | 281,196 | 1,115,845 | 1,250,064 |
| Support to Partners and Beneficiaries | 764,337 | - | 231,073 | - | - | - | 19,890 | - | 1,015,300 | 522,841 |
| Professional fees, trainers and consultants | 62,843 | 7,325 | 1,782 | - | 13,640 | - | 70,551 | 39,350 | 195,491 | 210,838 |
| Media production, printing and design | 19,557 | - | - | - | 4,883 | - | 27,424 | 9,692 | 61,556 | 165,389 |
| Workshop and conferences costs | 49,674 | 1,239 | 840 | 1,195 | 1,257 | - | 36,031 | 11,758 | 101,994 | 152,708 |
| Travel and transportation expense | 40,718 | 6,948 | - | - | 382 | - | 5,885 | 14,571 | 68,504 | 110,762 |
| Initiative costs | 52,848 | - | - | - | - | - | - | - | 52,848 | 66,525 |
| Organization capacity building costs | - | - | - | - | - | - | - | - | - | 3,600 |
| Office supplies | - | - | - | - | - | - | - | - | - | 76 |
| Communications | - | - | - | - | - | - | - | - | - | 32 |
| Others | - | - | - | - | - | - | - | - | - | 124 |
| Total | 1,476,746 | 325,644 | 245,268 | 5,575 | 21,831 | 5,558 | 174,349 | 356,567 | 2,611,538 | 2,482,959 |

13. Administrative expenses

| | <u>2023</u> | <u>2022</u> |
|--|----------------|----------------|
| | ILS | ILS |
| Salaries and related expenses | 504,834 | 385,834 |
| Organization Capacity building costs | 78,490 | 14,942 |
| Communications and office benefits | 57,445 | 42,340 |
| Office rent, taxes and insurance | 43,972 | 38,284 |
| Office cost, maintenance and supplies | 39,420 | 38,303 |
| Travel and transportation expense | 27,789 | 2,953 |
| Professional fees, trainers and consultants | 24,333 | 36,270 |
| Software maintenance and subscriptions costs | 10,888 | 8,880 |
| Media production, printing and design | 964 | 630 |
| Workshops | 45 | 186 |
| Others | 23,917 | 18,184 |
| | <u>811,997</u> | <u>586,267</u> |

Administrative expenses include ILS 804,716 and 572,981 that were allocated to programs and projects during the years ended December 31, 2023 and 2022, respectively.

14. Related party transactions

This item represents transactions with key management personnel:

| | <u>2023</u> | <u>2022</u> |
|--|----------------|----------------|
| | ILS | ILS |
| Key management personnel compensation: | | |
| Salaries and related benefits | <u>628,193</u> | <u>343,722</u> |
| End of service indemnities | <u>97,516</u> | <u>56,104</u> |

15. Fair Values of financial instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and deposits at banks, contributions receivable and some other current assets. Financial liabilities consist of temporarily restricted contributions, lease liability and other current liabilities. The fair values of financial instruments are not materially different from their carrying values at the statement of financial position date.

16. Risk management

Risks affecting the operation of QADER are interest rate risk, credit risk, liquidity risk and foreign currency risk. Management of QADER reviews and approves the policies and procedures to manage these risks as follows:

Interest rate risk

Interest rate risk is mainly caused by interest rate changes on financial assets and financial liabilities that are subject to floating interest rates. QADER financial assets are subject to fixed interest rates and therefore there is no interest rate risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or a contract, leading to a financial loss. QADER is exposed to credit risk from its operating activities primarily on contributions receivable as disclosed in note (4).

QADER limits its credit risk through obtaining funds from several reputable donors.

Liquidity risk

QADER limits its liquidity risk by maintaining adequate cash balances and relying on multiple donors to meet its current obligations and to finance its operating activities.

Foreign currency risk

The table below indicates the effect of a reasonably possible movement of foreign currency rates against the Israeli Shekel (ILS) with all other variables held constant, on the statement of activities and changes in net assets.

The effect of the decrease in foreign currency exchange rates is expected to be equal and opposite to the effect of the increase shown below:

| | Increase in currencies rate to ILS | Effect on the statement of activities and changes in net assets |
|-------------|--|---|
| | <u>Basis point</u> | <u>ILS</u> |
| <u>2023</u> | | |
| USD | 20 | 3,667 |
| JOD | 20 | 109 |
| EUR | 20 | (12,221) |
| <u>2022</u> | | |
| USD | 20 | 8,442 |
| JOD | 20 | 25 |
| EUR | 20 | (5,402) |
| SEK | 20 | (1,090) |

17. Concentration of risk in geographic area

QADER is carrying out activities in Palestine. The political and economic situation in the area increases the risk of carrying out these activities and may adversely affect QADER's performance.

18. War on Gaza Strip

The Israeli war on the Gaza Strip resulted in extensive destruction of economic facilities, in addition to various sectors in the West Bank suffered the consequences of restrictions and closures imposed between cities, along with the frequent closing of external borders. The war also caused noticeable fluctuations in the exchange rates of the Israeli Shekel against foreign currencies.

QADER carries out its projects in the West Bank and the Gaza Strip. This event has led to the suspension of the completion of the MOVE++/Catholic Relief Services project, which the organization is implementing in the Gaza Strip with an amount of ILS 12,883. It has also affected economic activity in the West Bank. It is expected that this will impact QADER's future plans and operational activities, especially the interruption of funding from donor agencies or the redirection of urgent relief needs.